

limit any disclosure only to the Confidential Information that is expressly required to be disclosed by such Order. Business will take all appropriate steps to safeguard Confidential Information and to protect it against disclosure, misuse, espionage, loss, and theft..

7.2 As used in this Agreement, the term “Confidential Information” means information that is not generally known to the public (including the existence and content of this Agreement) and that is used, developed, or obtained by Business in connection with its business, including, but not limited to, information, observations, and data obtained by TheFBAMachine while engaged by Business or any predecessors thereof (including those obtained prior to the date of this Agreement) concerning (a) the business or affairs of Business (or such predecessors), (b) products or services, (c) fees, costs and pricing structures, (d) designs, (e) analyses, (f) drawings, photographs and reports, (g) computer software and hardware, including operating systems, applications and program listings, (h) flow charts, manuals and documentation, (i) databases and data, (j) accounting and business methods, (k) inventions, devices, new developments, methods, and processes, whether patentable or unpatentable and whether or not reduced to practice, (l) customers and clients (and all information with respect to such persons) and customer or client lists, (m) suppliers (and all information with respect to such persons) or supplier lists, (n) other copyrightable works, (o) all production methods, processes, technology, and trade secrets, and (p) all similar and related information in whatever form.

7. **Independent Contractor:** TheFBAMachine will perform all Services as an independent Contractor and not as an employee or agent of Business and will supervise TheFBAMachine’s own work as well as that of its approved subcontractors. TheFBAMachine will be responsible for payment of all applicable Federal, state and local income tax, and the Business will not withhold or pay any such tax on TheFBAMachine’s behalf. TheFBAMachine is an independent Contractor and shall in no event be considered an employee of Business. TheFBAMachine has no authority to bind Business or incur any obligation or liability on its behalf and shall not state or imply such authority. TheFBAMachine shall not be entitled to or eligible for benefits or programs offered by Business solely to its employees and shall pay all required taxes with respect to TheFBAMachine’s fees and compensation.

8. **No Waiver:** No waiver by any Party of any of the provisions hereof will be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, (a) no failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Agreement will operate or be construed as a waiver thereof and (b) no single or partial exercise of any right, remedy, power, or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

9. **Force Majeure:** TheFBAMachine shall not be liable for any delay or failure to perform its obligations due to circumstances beyond TheFBAMachine’s control, such circumstances including without limitation natural disasters, terrorism, labor disputes, war, declaration of governments, transportation delays, computer and/or network failures, acts of civil or military authorities, interruptions in third-party telecommunications or internet equipment or service.

10. **Assignment & Successors:** Business may not assign this Agreement or any of its rights or obligations hereunder without TheFBAMachine express written consent. Any purported assignment or delegation in violation of this Section will be null and void. TheFBAMachine may assign this Agreement and the rights herein without Business’s prior consent.

11. **Severability:** If any provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement to affect their original intent as closely as possible in a mutually acceptable manner in order that the transactions contemplated.

12. **Assurances:** Each Party represents and warrants to the other Party that they may enter into and fully perform all of their obligations under this Agreement and without breaching, violating, or conflicting with (a) any judgment, order, writ, decree, or injunction of any court, arbitrator, government contractor, or other tribunal that applies to said party or (b) any agreement, contract, obligation, or understanding to which said party is a party or may be bound.

13. **Arbitration, Jurisdiction, and Choice of Law:** (a) To the maximum extent permitted by applicable law, any dispute or claim arising out of or in connection with this Agreement shall be resolved exclusively by confidential and binding arbitration in Delaware administered by JAMS pursuant to its Streamlined Arbitration Rules and Procedures, or if applicable, its JAMS Employment Arbitration Rules and Procedures (“JAMS Rules”), a copy of which can be found by following this link: <http://www.jamsadr.com/rules-employment-arbitration/>. Notwithstanding the foregoing, to the maximum extent permitted by law, either Party may apply for and obtain temporary or preliminary injunctive or other equitable relief from a court of competent jurisdiction pending arbitration, and such action shall not be a waiver of this agreement to arbitrate any disputed

matter. Judgment upon any award rendered by the arbitrator may be entered by any court having jurisdiction. BY SIGNING THIS AGREEMENT, THEFBAMACHINE ACKNOWLEDGES THAT IT IS AGREEING TO ARBITRATE ALL CLAIMS AND AM WAIVING ITS RIGHT TO A JURY TRIAL.

17.1 This Agreement has been entered into in the State of Delaware, and its validity, construction, interpretation and legal effect shall be governed by the laws and judicial decisions of the State of Delaware applicable to contracts entered into and performed entirely within said state (without reference to any conflicts-of-law principles). Any legal action or proceeding between the Parties relating to this Agreement may be commenced only in the state or federal courts in State of Delaware, and each of the Parties hereto agrees to submit to the jurisdiction and not to object to the venue, of such courts with respect to any such legal action or proceeding. Any process in any action or proceeding commenced in such courts may, among other methods, be served upon by delivering or mailing the same (via registered or certified mail) at the address set forth below my signature. Any such delivery or mail service shall be deemed to have the same force and effect as personal service within the State of Delaware. If any action, suit or proceeding arising from or based upon this Agreement is brought by either Party hereto against the other, the prevailing Party shall be entitled to recover from the other its reasonable attorneys' fees in connection therewith in addition to the costs of such action, suit or proceeding.

14. **Entire Agreement:** This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement. This Agreement may be amended or modified only by a written instrument executed by both Parties herein.

**ACCEPTED AND AGREED TO BY:**

**THEFBAMACHINE**

**BUSINESS**

By:

By:

Name:

Name:

Title:

Title:

**SCHEDULE A**

## **SCOPE OF SERVICES**

### **Services**

TheFBAmachine has been hired to establish and manage an Amazon storefront. TheFBAmachine's "Services" shall consist of those services customarily rendered by a management service for an Amazon storefront.

TheFBAmachine shall provide the following Services:

- Establish Amazon storefront
- Establish vendors
- Get the store ungated on Amazon to sell with specified brands
- Merging listings to variations (developed in accordance with Business)
- Create a specialized PPC management strategy
- Spearhead listing price research and optimization

TheFBAmachine will strive to utilize Businesses budget up to \$20,000.00 for procurement of inventory for their Amazon.com Seller Account within the Term of the Agreement. In the event that TheFBAmachine has not reached \$20,000.00 spent within the Term, theFBAmachine shall continue rendering services at no additional cost until \$20,000.00 is reached. TheFBAmachine will continue to perform this task on a monthly basis moving forward only if budget is provided by Businesses.

### **Compensation**

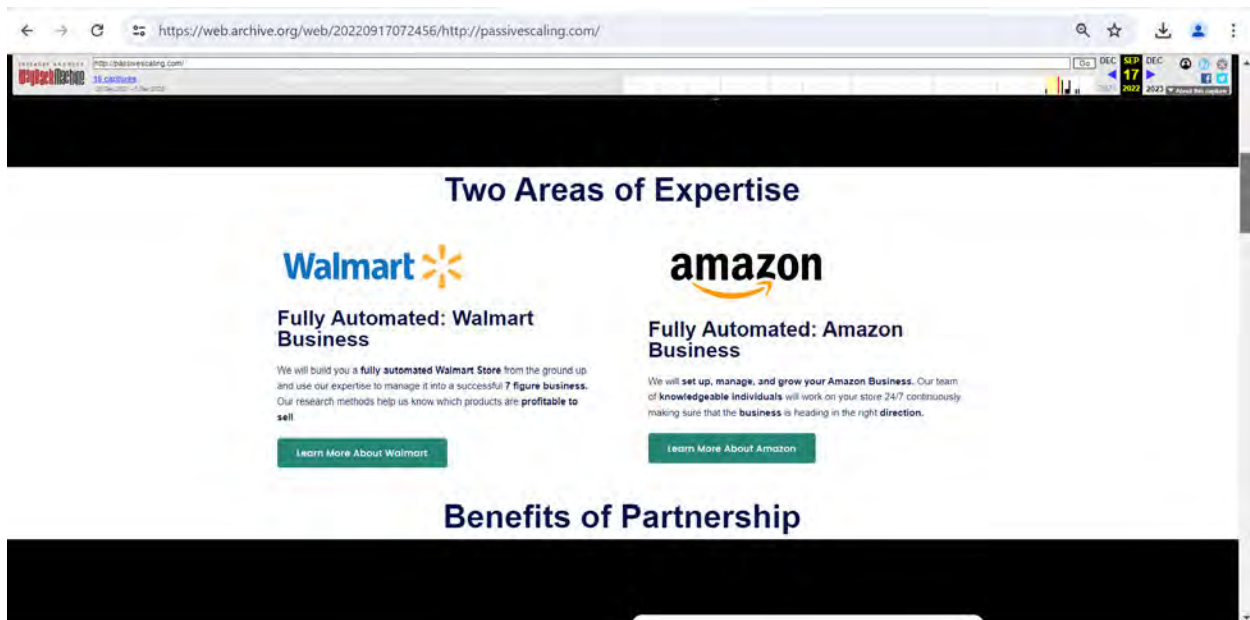
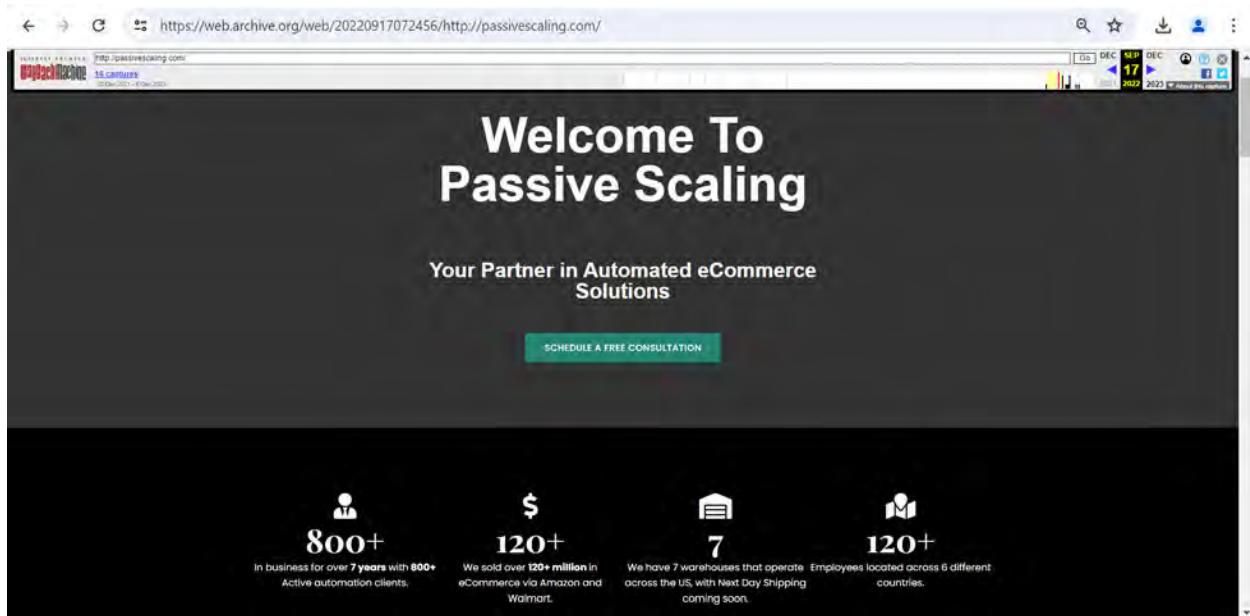
For the Services rendered, TheFBAmachine shall receive the following payments:

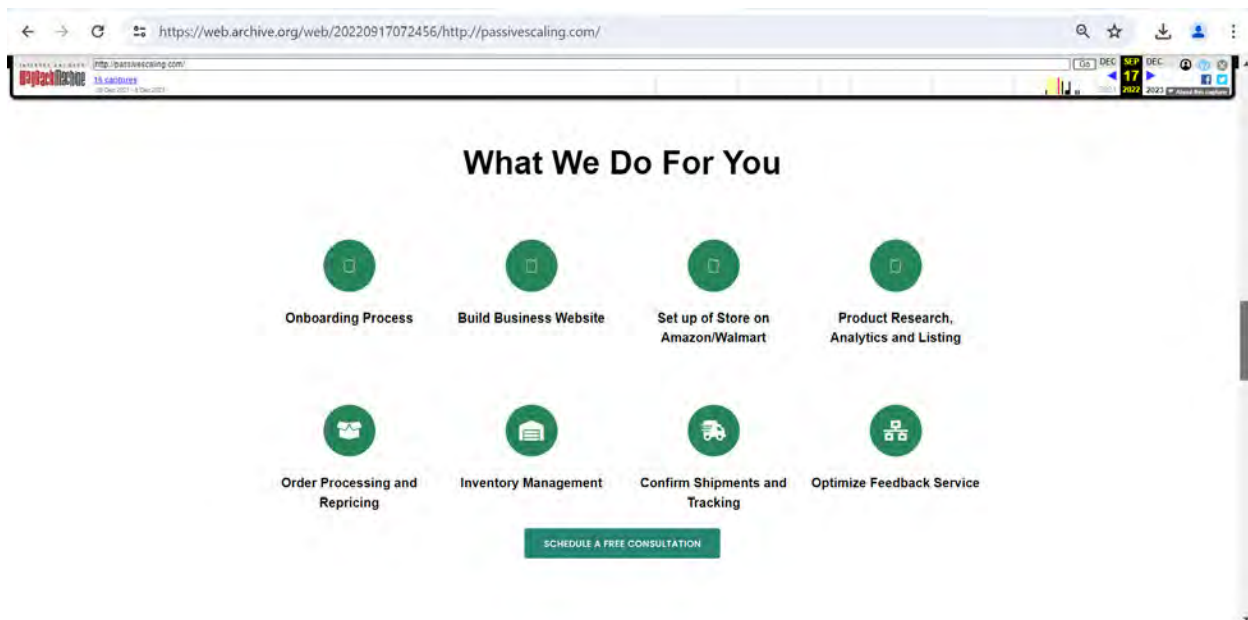
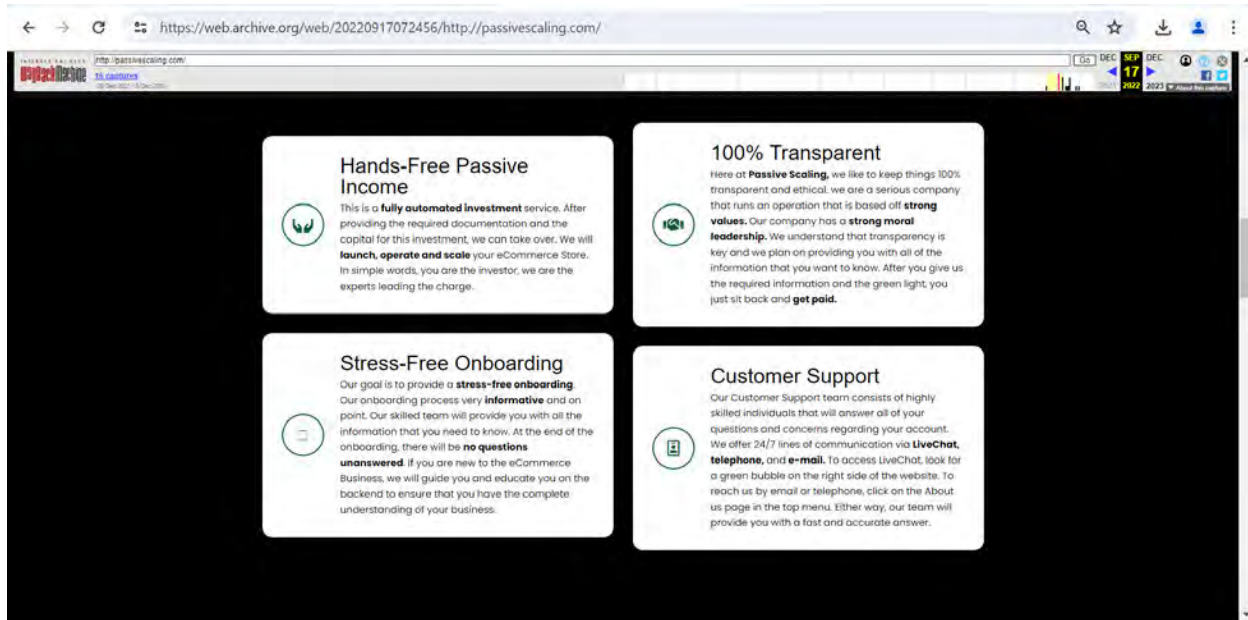
\$16,000 Due upon Signing

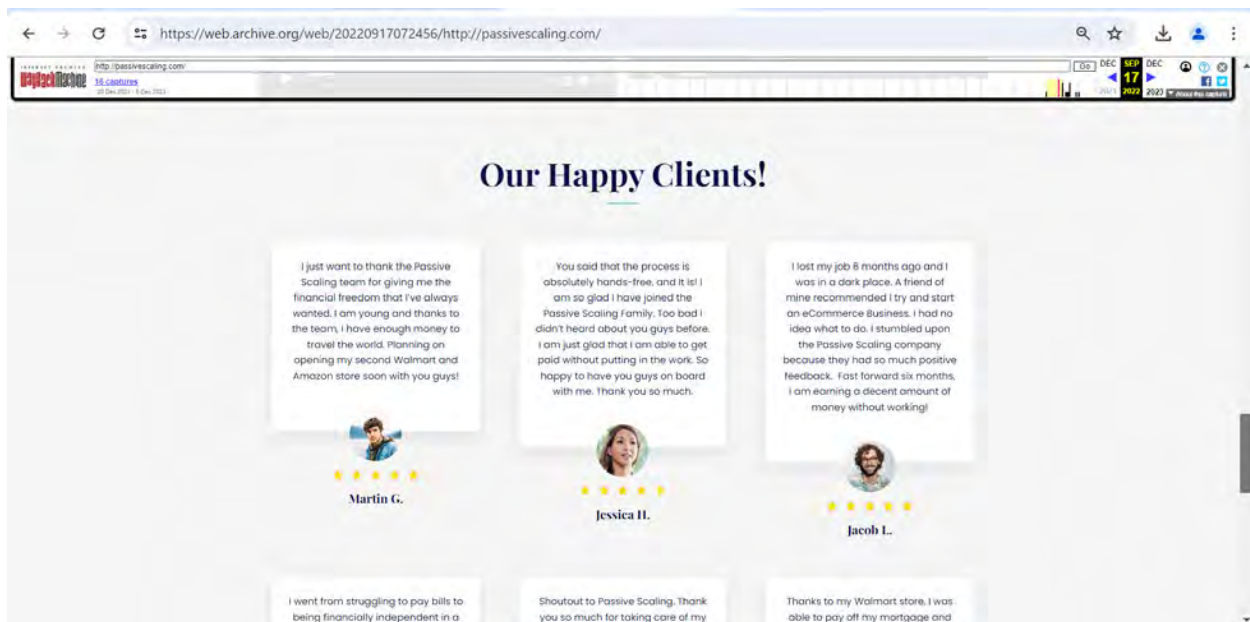
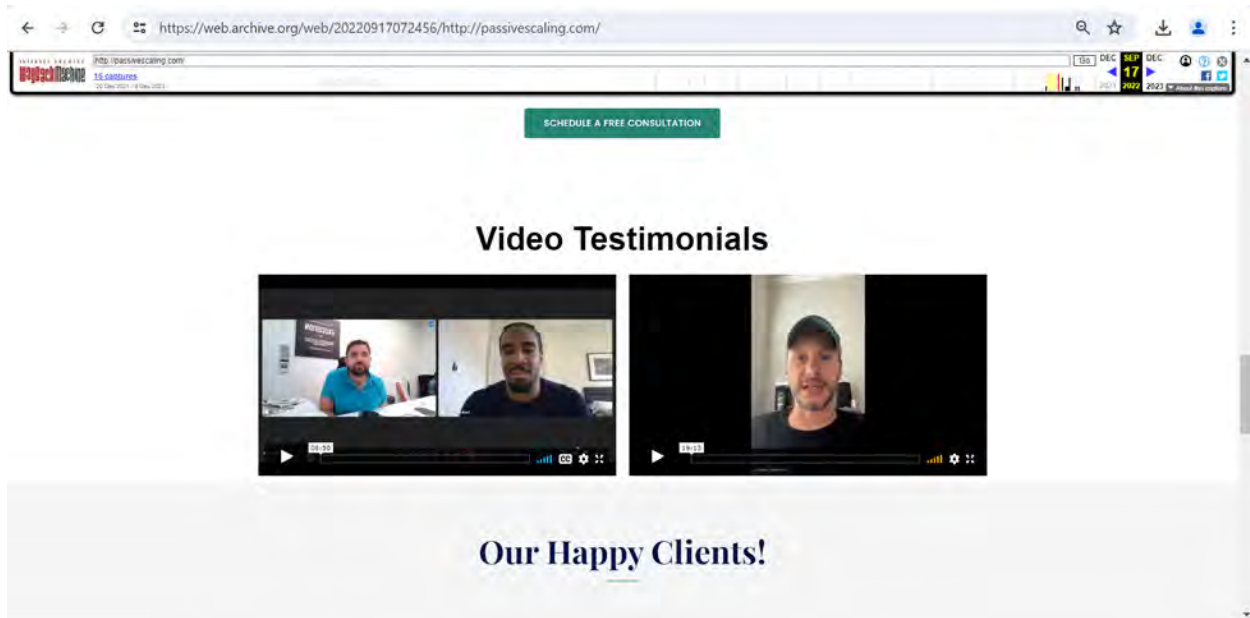
Business agrees to pay TheFBAmachine in accordance with its normal processes and procedures within five (5) days of receipt of TheFBAmachine invoice. Any dispute or claim arising out of invoice amounts and services rendered shall be negotiated in good faith. Business shall not be required to pay any amounts in dispute while the dispute is pending. In the event a dispute cannot be resolved, Parties agree to follow the arbitration procedures outlined in this Agreement.

In performing the Services, TheFBAmachine shall adhere to the following guidelines:

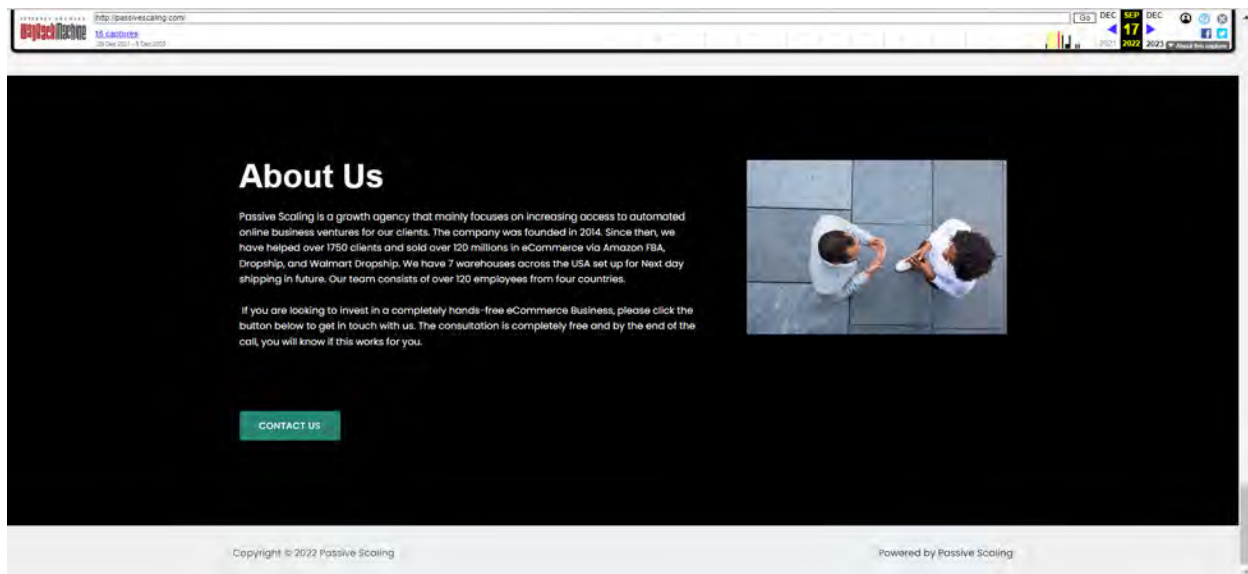
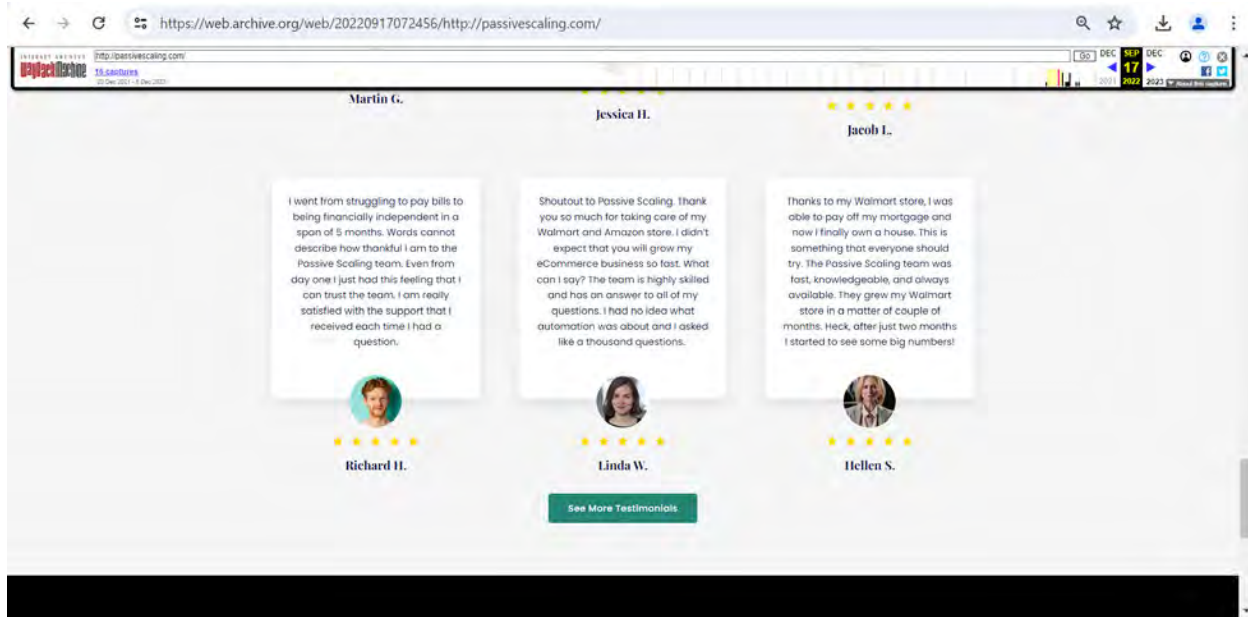
1. TheFBAmachine agrees to devote as much productive time, energy and ability to the performance of their duties hereunder as may be necessary to provide the required Services in a timely and productive manner and to the timeframe specified in this Agreement.
2. TheFBAmachine agrees to perform with at least industry standard efforts, energies, and skill the duties and responsibilities attributable to the Services and, except as set forth herein, agrees to devote professional time and attention to the delivery and performance of the Services.
3. TheFBAmachine agrees to perform the Services in a workmanlike manner and with professional diligence and skill, as a fully trained, skilled, competent, and experienced personnel.
4. TheFBAmachine shall provide Services that are satisfactory and acceptable to Business and free of defects.
5. TheFBAmachine shall communicate and meet with Business regularly regarding progress it has made with respect to the deliverables and Services.

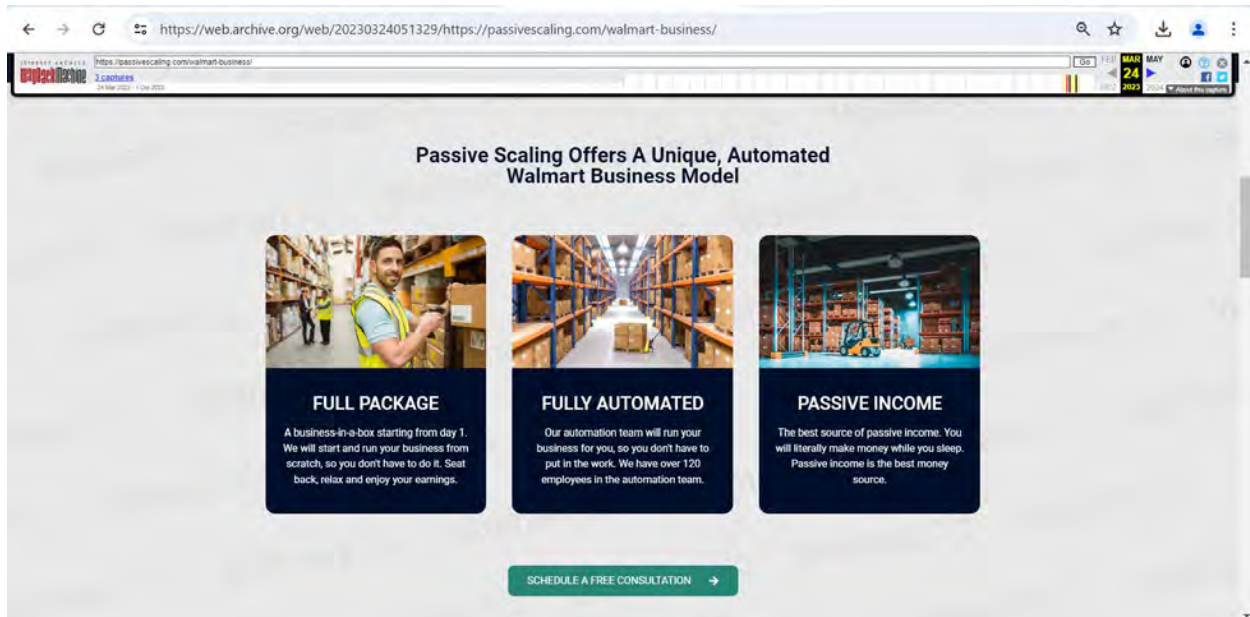
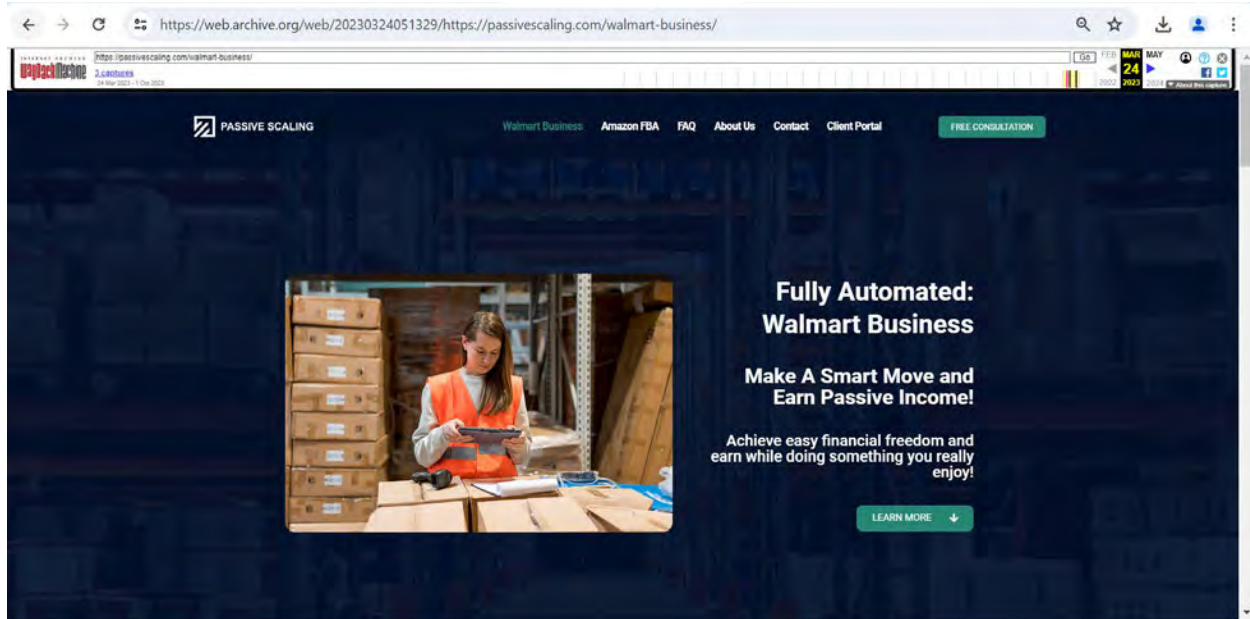




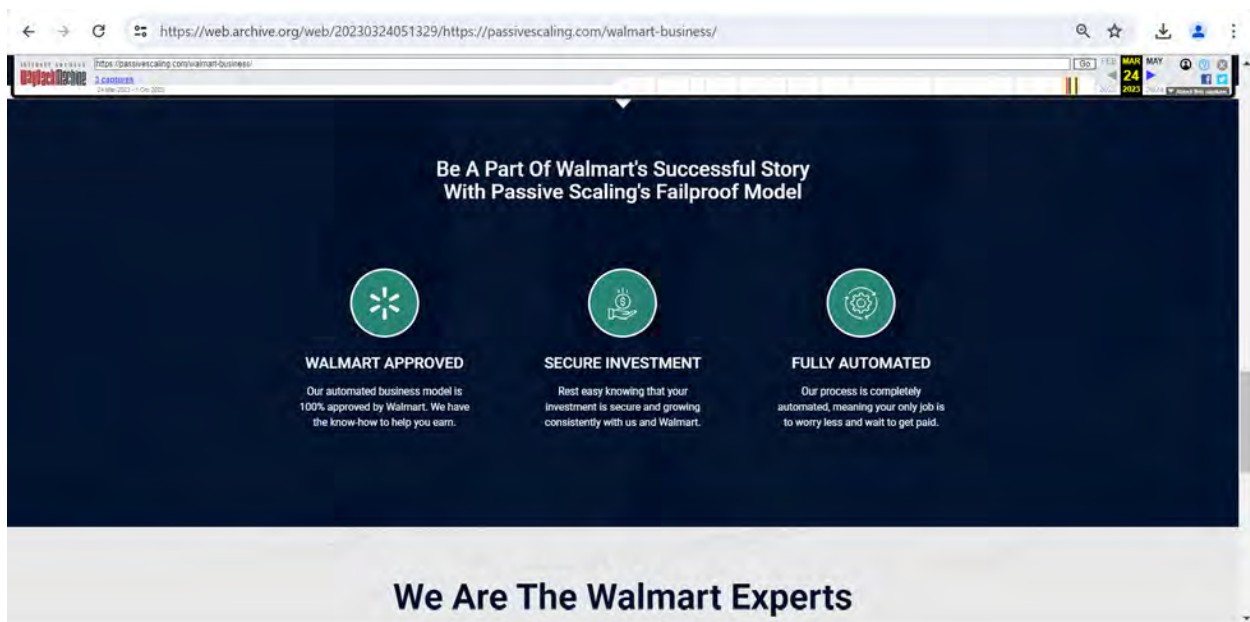
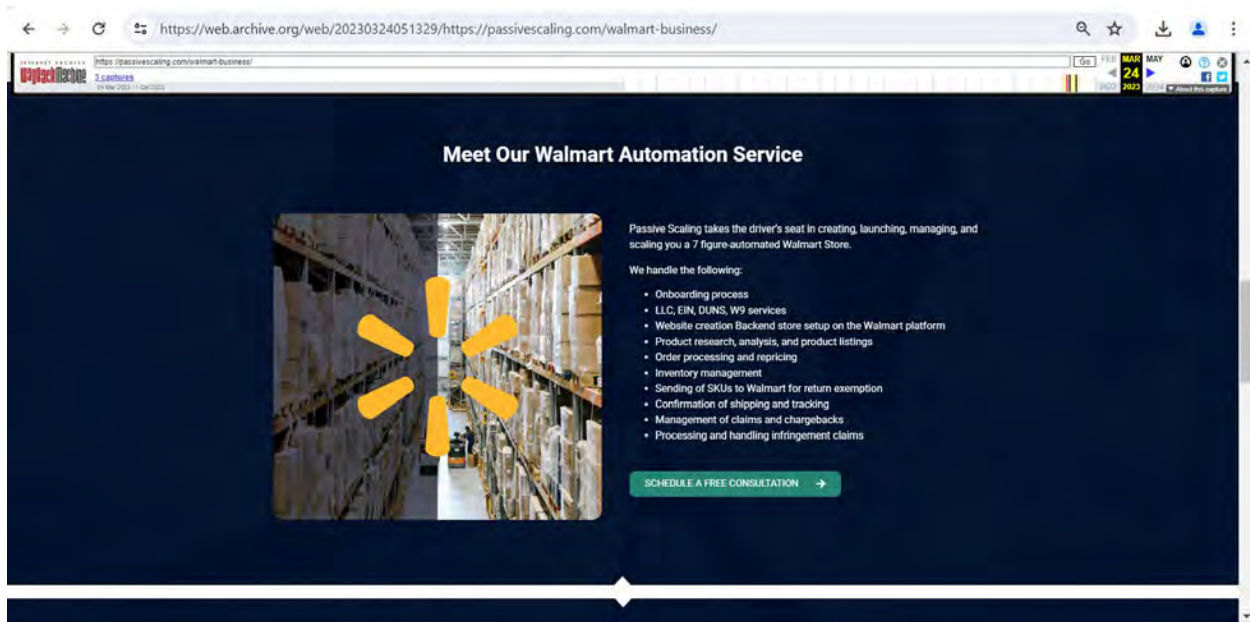


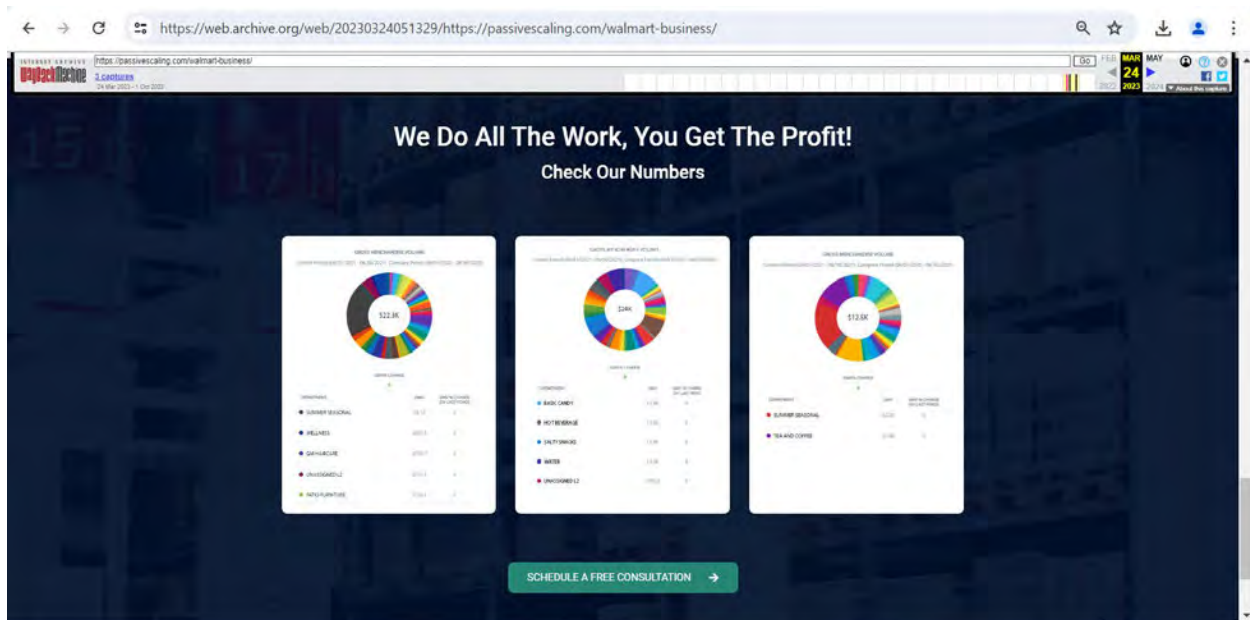












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Amazon FBA Business**

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INTERNET ARCHIVE  
Wayback Machine  
2 CARDS  
28 Nov 2022 - 1 Dec 2022

Passive Scaling Offers A Unique, Automated Amazon FBA Business Model




**FULL PACKAGE**

We offer a business-in-a-box. We will build and grow your business from scratch from 0 to 7 figures. You don't have to worry about anything. Just relax and let us do all the hard work for you.



**FULLY AUTOMATED**

Our process is completely automated. Once you give us the green light, we will take the driver's seat and take care of everything, including building, managing, and growing your business.



**PASSIVE INCOME**

Congratulations! You have diversified your portfolio with a cash-flowing digital asset. Get paid without doing the work. Our highly skilled team will take over and do all the things for you.

SCHEDULE A FREE CONSULTATION →

← → ↻ 🔍 https://web.archive.org/web/20230324051937/https://passivescaling.com/amazon-fba/ 🔍 ☆ ⬇️ 👤 ⋮

INTERNET ARCHIVE  
Wayback Machine  
2 CARDS  
28 Nov 2022 - 1 Dec 2022

We Build Fully Automated E-Commerce Stores On Amazon FBA

You probably have heard about Amazon before. But did you know that Amazon can make you a lot of money?

We are talking about five figures per month in pure profit!

FBA stands for 'Fulfillment By Amazon' which is a method that Amazon uses to supply orders to Amazon Prime customers.

However, Amazon doesn't make the products themselves.


Amazon simply buys the products from various sellers, and then stores the products in their warehouses, and then ships them to customers.

That's where we come in.

Passive Scaling unique business model consists of skilled people and highly effective software with the ultimate goal to find products that sell well on Amazon.

Our most successful clients generate over \$100,000 per month in profit!


SCHEDULE A FREE CONSULTATION →






https://web.archive.org/web/20230324051937/https://passivescaling.com/amazon-fba/

## Get Yourself The Amazon FBA Advantage With Passive Scaling




### AMAZON APPROVED

Amazon's FBA program is 100% approved by Amazon. We will make you a valued seller in their marketplace.



### SECURE INVESTMENT

Sleep well at night knowing that your investment is safe and growing steadily with us and the world's largest online retailer.



### FULLY AUTOMATED

Our team will make this process fully automated. You don't have to put in any work, and your only job will be getting paid.

“

Most of our clients hit six-figure monthly revenues within 12-16 months.

Passive Scaling Team

https://web.archive.org/web/20230324051937/https://passivescaling.com/amazon-fba/

## Sounds Too Good To Be True?

Our Results Speak For Themselves

#### amazon seller


4496 USD  
Sales today so far

39  
Units today so far

61  
Cust

Product sales

Last 7 days: 69.32K USD (+28% vs Previous 7 days, +42% vs Last year)



#### amazon seller


38.90 USD  
Sales today so far

2  
Units today so far

435  
Cust

Product sales

Last 30 days: 17.97K USD (+518% vs Previous 30 days, +417% vs Last year)



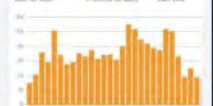
#### amazon seller

19.99 USD  
Sales today so far

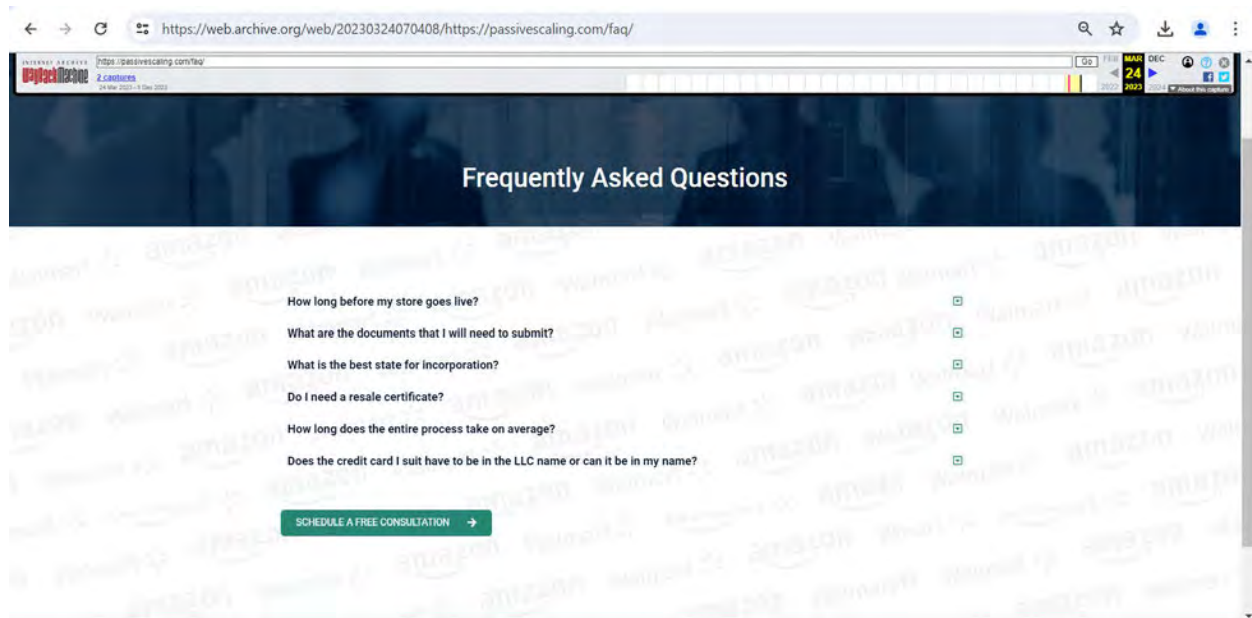
1  
Unit today so far

Product sales

Last 30 days: 100.6K USD (+157% vs Previous 30 days, +63% vs Last year)



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## ***Passivescaling.com***

### **About Passive Scaling**

Passive Scaling is a growth agency that mainly focuses on increasing our clients' access to automated online business ventures.

The company was founded in 2014. Since then, we have helped over 1750 clients and sold over 120 million in eCommerce via Amazon FBA, Dropship, and Walmart Dropship.

We have 7 warehouses across the USA set up for Next day shipping in the future. Our team consists of over 120 employees from four countries.

So, if you are looking to invest in a completely hands-free e-Commerce business, you're at the right place.

SCHEDULE A FREE  
CONSULTATION



## ***Thefbamachine.com***

### *An Industry Leader* **WHO WE ARE**

The FBA Machine is a growth agency that mainly focuses on increasing our clients' access to automated online business ventures.

The company was founded in 2014. Since then, we have helped over 1750 clients and sold over 120 million in eCommerce via Amazon FBA, Dropship, and Walmart Dropship.

We have 7 warehouses across the USA set up for Next day shipping in the future. Our team consists of over 120 employees from four countries.

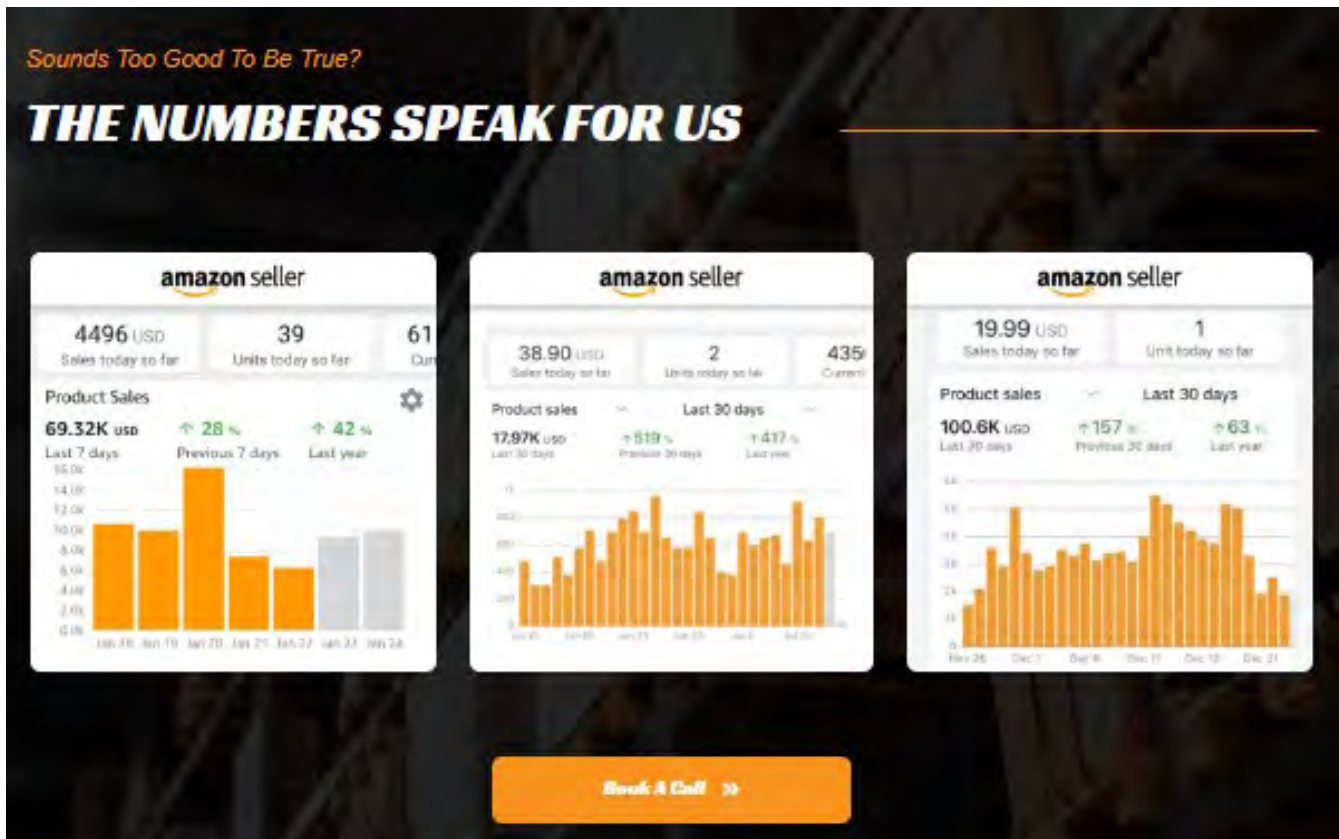
So, if you are looking to invest in a completely hands-free e-Commerce business, you're at the right place.

***Book A Call >>***

**Passivescaling.com**



**Thefbamachine.co**





**Thefbamachine.co****Passivescaling.com***Our Clients Believe In Us***HERE'S WHAT  
THEY SAY**

*Shoutout to The FBA Machine! Thank you so much for taking care of my Amazon store. I didn't expect that you will grow my eCommerce business so fast. What can I say? The team is highly skilled and has an answer to all of my questions. I had no idea what automation was about and I asked like a thousand questions.*

*Jacobi Dorn**Our Clients Believe In Us***HERE'S WHAT  
THEY SAY**

*I want to thank the FBA Machine team for giving me the financial freedom I've always wanted. I am young and thanks to the team, I have enough money to travel the world. Planning on expanding my business soon with you guys!*

*Charlotte Miller**Our Clients Believe In Us***HERE'S WHAT  
THEY SAY**

*I lost my job 6 months ago and I was in a dark place. A friend of mine recommended I try and start an eCommerce Business. I had no idea what to do. I stumbled upon The FBA Machine company because they had so much positive feedback. Fast forward six months, and I am earning a decent amount of money without working!*

*Gordon Burgess*

Shoutout to Passive Scaling. Thank you so much for taking care of my Walmart and Amazon store. I didn't expect that you will grow my eCommerce business so fast. What can I say? The team is highly skilled and has an answer to all of my questions. I had no idea what automation was about and I asked like a thousand questions.

★★★★★

**Linda W.**

I just want to thank the Passive Scaling team for giving me the financial freedom that I've always wanted. I am young and thanks to the team, I have enough money to travel the world. Planning on opening my second Walmart and Amazon store soon with you guys!

★★★★★

**Martin G.**

I lost my job 6 months ago and I was in a dark place. A friend of mine recommended I try and start an eCommerce Business. I had no idea what to do. I stumbled upon the Passive Scaling company because they had so much positive feedback. Fast forward six months, I am earning a decent amount of money without working!



★★★★★

**Jacob L.**

*Our Clients Believe In Us*

## **HERE'S WHAT THEY SAY**

*Thanks to my Amazon store, I was able to pay off my mortgage and now I finally own a house. This is something that everyone should try. The FBA Machine team was fast, knowledgeable, and always available. They grew my Amazon store in a matter of a couple of months. Heck, after just two months I started to see some big numbers!*

*Doris Lee*

Thanks to my Walmart store, I was able to pay off my mortgage and now I finally own a house. This is something that everyone should try. The Passive Scaling team was fast, knowledgeable, and always available. They grew my Walmart store in a matter of couple of months. Heck, after just two months I started to see some big numbers!



**Hellen S.**

*Our Clients Believe In Us*

## **HERE'S WHAT THEY SAY**

*I went from struggling to pay bills to being financially independent in a span of 5 months. Words cannot describe how thankful I am to The FBA Machine team. Even from day one I just had this feeling that I can trust the team. I am really satisfied with the support that I received each time I had a question.*

*Alberto Ward*

I went from struggling to pay bills to being financially independent in a span of 5 months. Words cannot describe how thankful I am to the Passive Scaling team. Even from day one I just had this feeling that I can trust the team. I am really satisfied with the support that I received each time I had a question.



**Richard H.**

*Our Clients Believe In Us*

## **HERE'S WHAT THEY SAY**

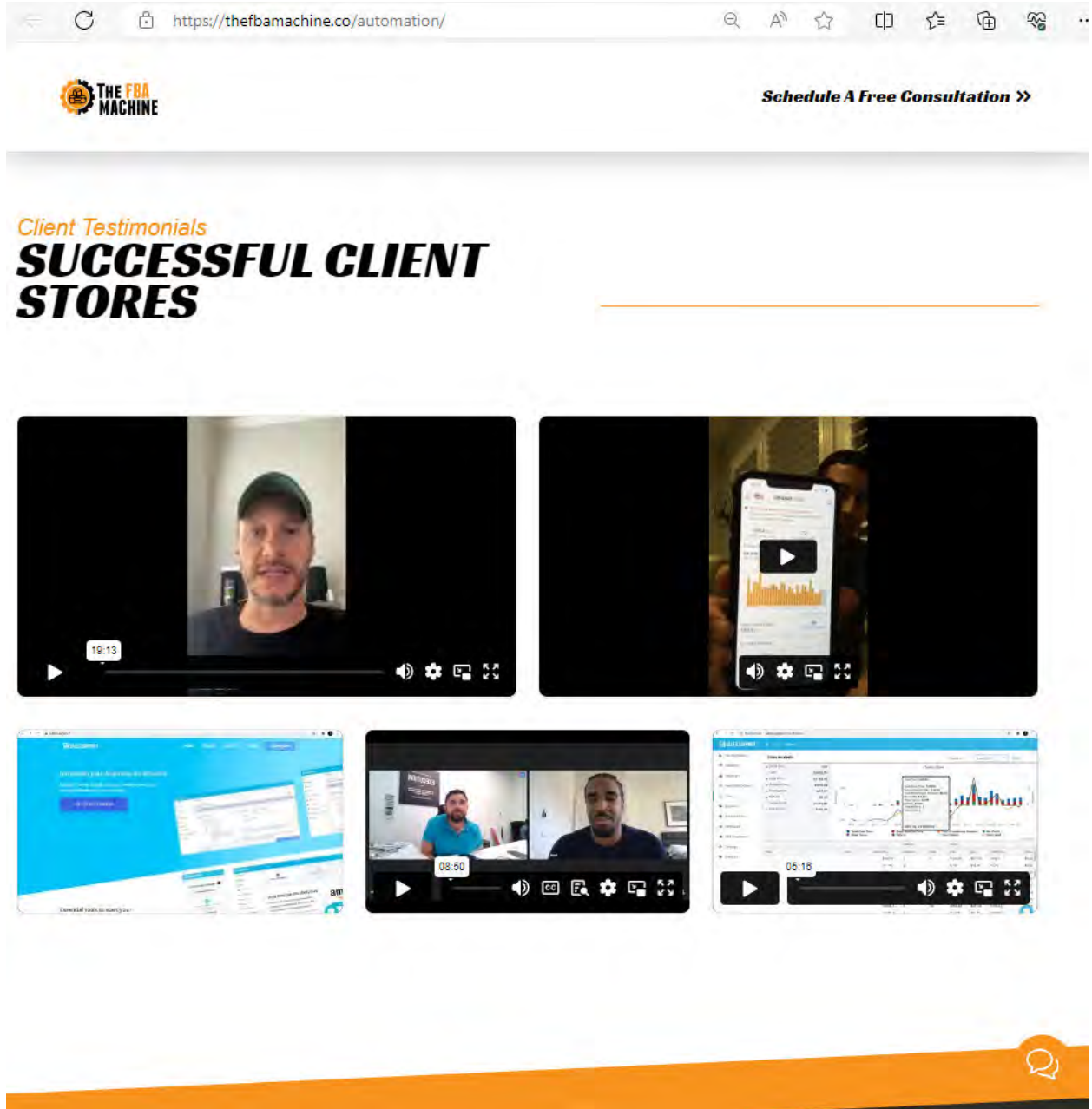
*You said that the process is absolutely hands-free, and it is! I am so glad I have joined The FBA Machine family. Too bad I didn't hear about you guys before. I am just glad I can get paid without putting in the work. So happy to have you guys on board with me. Thank you so much.*

*Antony Hull*

You said that the process is absolutely hands-free, and it is! I am so glad I have joined the Passive Scaling Family. Too bad I didn't hear about you guys before. I am just glad that I am able to get paid without putting in the work. So happy to have you guys on board with me. Thank you so much.



**Jessica H.**



Embedded Links (left-to-right and top-to-bottom):

<https://vimeo.com/703041375> - Monday, April 25, 2022 at 5:34 PM EST

<https://vimeo.com/456045093> - Tuesday, September 8, 2020 at 11:49 PM EST

<https://vimeo.com/441218558> - Thursday, July 23, 2020 at 11:58 PM EST

<https://player.vimeo.com/video/741976441?h=9da14307de> – Unlisted, upload date from page source code - "upload\_date":"2022-08-22 13:59:16"

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**Client Testimonial**

Unlisted

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eCommerce Automation Warehouse Tour - Optimize Digital

FBA Machine

4/30/2024

		3	
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FEDERAL TRADE COMMISSION		In the Matter of: )	
MATTER NO. 2423018		FBA Machine ) Matter No.	
TITLE FBA MACHINE		) 2423018	
DATE RECORDED: DATE UNKNOWN		-----)	
TRANSCRIBED: APRIL 12, 2024		Date Unknown	
PAGES 1 THROUGH 9		The following transcript was produced from a	
ECOMMERCE AUTOMATION WAREHOUSE TOUR -		digital file provided to For The Record, Inc. on April	
OPTIMIZE DIGITAL		2, 2024.	
2		4	
FEDERAL TRADE COMMISSION		P R O C E E D I N G S	
I N D E X		- - - - -	
RECORDING: PAGE:		ECOMMERCE AUTOMATION WAREHOUSE TOUR - OPTIMIZE	
eCommerce Automation Warehouse Tour		DIGITAL	
- Optimize Digital 4		(Music playing.)	
		STEVEN: Welcome to our space.	
		UNIDENTIFIED MALE: Dude.	
		UNIDENTIFIED MALE: Welcome to L.A.	
		STEVEN: Welcome, fellas.	
		UNIDENTIFIED MALE: It's good to see you,	
		man.	
		STEVEN: Nice to see you guys.	
		UNIDENTIFIED MALE: Absolutely. We're	
		excited to check out the space.	
		STEVEN: Let's do some work.	
		UNIDENTIFIED MALE: Yes, sir.	
		STEVEN: Come on. Come on in.	
		(Music playing.)	
		STEVEN: [REDACTED] let me show you some of	
		these items we're about to ship out. A lot of these	
		items that we're shipping here just came in. These	
		are brand name items. The beauty of these items is	
		that there's no marketing involved with these. Right?	
		So we've got some Fisher-Price. This is a brand that	
		will sell out every -- every winter. These items just	

1 (Pages 1 to 4)

For The Record, Inc.

(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Attachment X

PX20

001288

eCommerce Automation Warehouse Tour - Optimize Digital

FBA Machine

4/30/2024

<p>5</p> <p>1 go year-round. They don't sit. We already know the 2 statistics on them, and we know how they sell year- 3 round. Right? These items are selling on a constant 4 basis. 5 UNIDENTIFIED MALE: On calls, we like to 6 call them evergreen products, stuff that's selling 7 year-round. And it's really important for people to 8 know that because a lot of questions about seasonality 9 and, you know, is my store only going to do sales in 10 November/December time. And, you know, just having 11 these types of stuff, the everyday stuff, like you're 12 talking about is just crucial for keeping sales 13 consistent, keeping revenue pumping. 14 (Music playing.) 15 STEVEN: A lot of these items are actually 16 all gone for Amazon FBA. And, like, that's one of the 17 benefits and the differences between Amazon wholesale 18 and Amazon drop ship, or Walmart drop ship. Right? 19 So these are items that we're actually going to ship. 20 What they do is they break apart these items, they 21 prepare them as per Amazon prep requirements, and then 22 we ship them to FBA. So that gives us a lot more 23 leverage than a lot of anybody else that's offering, 24 you know, a similar service. 25 (Music playing.)</p>	<p>7</p> <p>1 things. I want to scale brands. I want to scale 2 businesses, because I see the potential. I saw e- 3 commerce before you and I ever really spoke about 4 business as the quickest vehicle to really get a brand 5 live, get revenue coming in the door, get profit, and 6 build an infrastructure where you're taking care of a 7 lot of people. 8 Us teaming up, building Optimize as a brand 9 to really differentiate ourselves in this space and 10 let people know that we're the real deal was, like, 11 this is the best opportunity for us to not only help 12 people get involved, like clients of ours, they're 13 asking for e-commerce stores, clients of ours that 14 we've helped with business, web development, all this 15 creative stuff, we've become like a gravitational 16 force of just creative entrepreneurs that have this 17 vision that brings different skill sets to the table. 18 And we meet Steven and we get involved because he has 19 another offer that, like, really aligns with our 20 vision. 21 As our affiliate marketing system has grown, 22 bringing Steven into play where our relationship has 23 been us as the sales and marketing force that also is 24 this e-commerce groups, that's also building these 25 businesses, that's also helping people out with</p>
<p>6</p> <p>1 UNIDENTIFIED MALE: Take one. 2 UNIDENTIFIED MALE: You know, I wanna kind 3 of give a little story into how I personally started 4 with Amazon FBA. I started roughly around, like, 2015 5 when I started into e-commerce, because we saw the 6 wave that Amazon was making. So we started with 7 Amazon wholesale. We started with drop ship. We 8 started with private label. We had maybe five brands. 9 We had three or four account executives and brand 10 managers based in the U.S. 11 What we noticed is Amazon wholesale was by 12 far the easiest to scale because it didn't require any 13 branding, it didn't require any, like, labeling. It 14 was just easy to buy and sell goods, turn a margin. 15 We had customers in India that were 16 competing with us in America, and I'm like, well, this 17 is -- this is a no-brainer. Like, let's just help 18 people all over the world, you know, sell on Amazon. 19 And that's just been kind of like our approach since 20 then. 21 UNIDENTIFIED MALE: For myself, obviously 22 you guys come in with so much e-commerce expertise, 23 but for me it's really been my whole life, like, this 24 entrepreneurial journey. I see myself being in a 25 position where it's always a greater purpose of</p>	<p>8</p> <p>1 portfolios and getting in the ground work, and 2 branding, and development, all this stuff, it's like 3 we have, you know, financial people involved, we have 4 people involved that have built multiple businesses, 5 failed, succeeded, done all this stuff, and now it's, 6 like, you know, with Steven coming in with his 7 expertise, it's, like, this is a perfect example of 8 what we've built, of what we're trying to accomplish. 9 STEVEN: I'm happy to be on board with this 10 team. I think anybody watching this, if you're having 11 any kind of questions or doubts, hopefully this 12 cleared everything up for you, and we look forward to 13 working with everyone. 14 (Music playing.) 15 (The video was concluded.) 16 17 18 19 20 21 22 23 24 25</p>

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FBA Machine

4/30/2024

9

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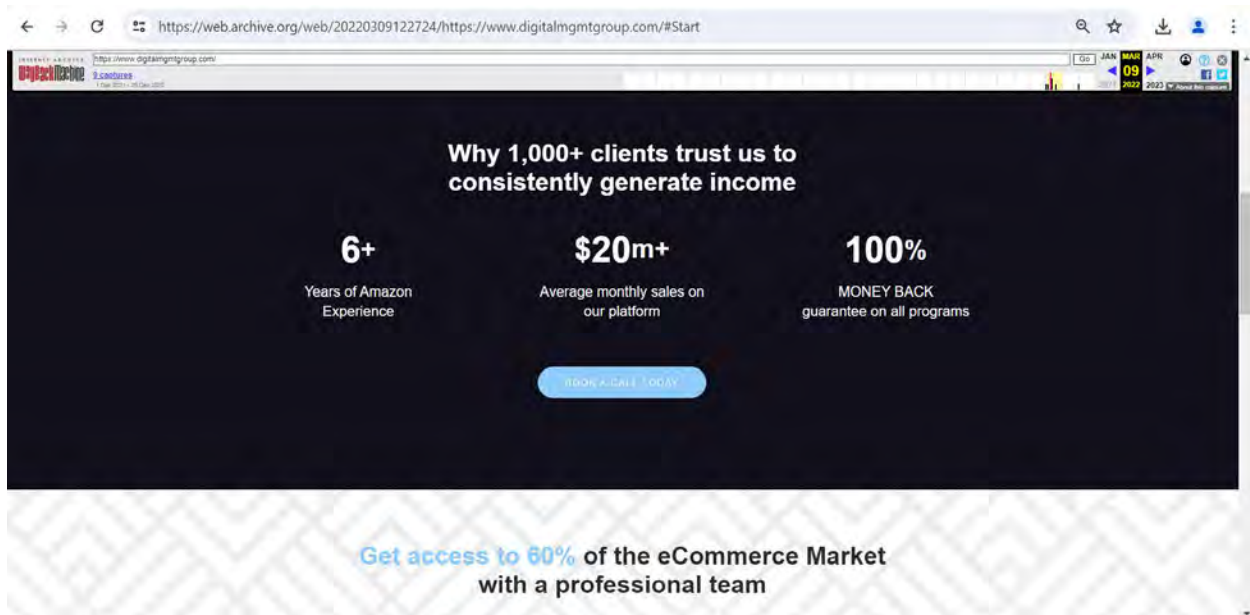
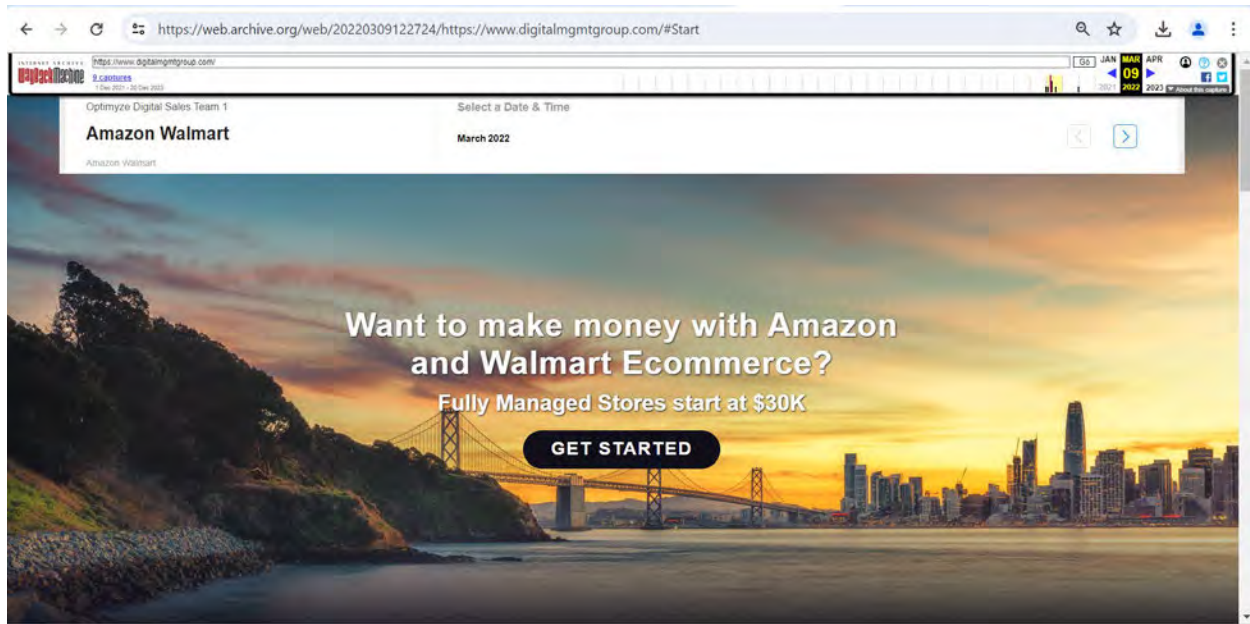
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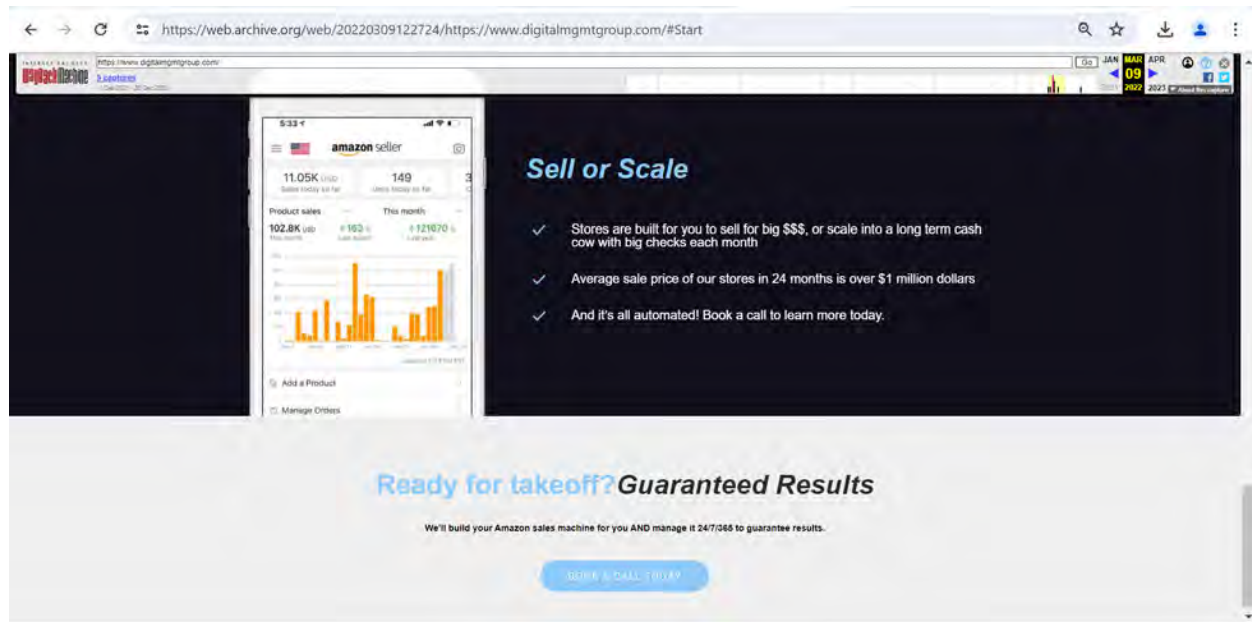
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Get access to our network of thousands of exclusive products & well known brands with our program

User Collaboration

62% of sales on Amazon are purchased using the "buy button". Our buy button percentage is between 40-70%, where the average is 20%.

MEET THE CONSULTANT



001294

## Optimize Digital - Live QA 8-31-21

8/31/2021

<p style="text-align: right;">5</p> <p>1 I've been a small business owner most of my life. 2 Right now, I work for a utility contractor. So I was 3 just hell-bent on making money online. And I laugh 4 because along the way, I -- the lessons I learned, you 5 know, it's been less than a year, but things I know 6 now, but I took some financial lessons along the way, 7 and I know some of you that are searching for an 8 online opportunity know what I'm talking about. 9 There's so much misrepresentation and so 10 many different opportunities and, like, I was 11 fortunate that -- I was looking for, like, an e- 12 commerce store basically when I first started doing 13 this. And I tried doing it on my own, which, you 14 know, the marketing and I soon found out that I didn't 15 want to -- I could do it, but the learning curve was 16 just too -- more time than I wanted to put in with it. 17 You know, I got into an auto-shipping online 18 business that did not work out. I won't get into the 19 details on that, but just a few other things, but I 20 stumbled across Optimize Digital when I was looking 21 for an e-commerce store back in March or April when I 22 first talked to Shi. You know, I was first impressed 23 with the company on the -- just the professionalism 24 involved with it. You know, I'd seen so many of those 25 people marketing stuff, leaning against limos and</p>	<p style="text-align: right;">7</p> <p>1 there if you want to, Asante, but any other questions 2 you want -- or anything you want me to go over? 3 ASANTE MONADJEMI: Yeah, no, I mean, that 4 was a -- that was a great overview. Thank you for 5 that. You know, we always really appreciate that 6 feedback. Obviously, trust is a huge factor for us, 7 and, you know, I think that without -- without saying 8 anything negative about the e-commerce space, because 9 it is, you know, where our passion is, I think one of 10 the major things we bring to the table is the 11 professionalism and, you know, the -- the business 12 sense in this space that's -- you know, there's a lot 13 of the -- I guess the hundred-dollar-bill flaunting, 14 you know. 15 So, you know, we're -- we're trying to 16 really grow into an industry and help our partners 17 come up with us along the way. So, you know, I'm -- 18 I'm really glad that you -- that you got that from us, 19 and that's always great feedback. 20 But, I guess, you know, the -- the main 21 thing today is -- is the -- obviously the Walmart 22 program. You know, most people are going to want to 23 hear about, you know, specific profits and breakdowns, 24 and we can get into that a little bit with -- you 25 know, once we -- once we pull up your store and stuff</p>
<p style="text-align: right;">6</p> <p>1 fanning out hundred-dollar bills and silly things 2 like, oh, but you guys don't do that, right? But it 3 was very professional. It was a nonpressure situation 4 for me. And I ended up not doing the e-commerce 5 store. I ended up buying a sales funnel. And what 6 really made me pull the trigger on it was, you know, 7 the guarantee they put behind the work, the 8 performance company that they are. And, you know, so 9 there was a trust kind of like established with that. 10 It gives you a little confidence going into 11 it because I -- you know, like all -- most of you, I 12 was just really leery to hand over that kind of money 13 to people that you really don't know that well. So 14 there's the anxiety and that kind of gets taken away 15 when they say, okay, if you don't get what you want 16 out of this, you know, here's a professional contract. 17 We guarantee this, and that made me feel at home. 18 And even before I made any money on that 19 sales funnel, you know, Shi had sent an email out 20 about the -- you know, what you guys are thinking here 21 for -- for the Walmart program. And, I mean, I did my 22 due diligence, and -- on this type of thing. You 23 know, before I made any money with the funnel, I even, 24 you know, I started (inaudible) and, you know, right 25 now, I'm glad I did. So -- but you can take it from</p>	<p style="text-align: right;">8</p> <p>1 like that, but I guess from the -- from the first 2 place, once you got started with the -- with the 3 Walmart program, what was your -- what was their 4 experience like as far as -- for you, for, you know, 5 getting basically the contract signed? What was the 6 timeline before you had your -- your store up? You 7 know, what was your communication like? 8 Are there things that you really, you know, 9 appreciated about that process? Are you -- are there 10 things that you felt could have been easier? Are 11 there things that you feel like we can work on as a 12 company to make that better? Just from a transparency 13 standpoint, talking about your experience, what did -- 14 what was your experience like, I guess? 15 BRIAN KRUEGER: Sure. It's -- it went 16 fairly smooth. It's a little overwhelming, the 17 onboarding process. I think it took me about three 18 weeks or around there. You know, before, you know, 19 you guys passed the baton on to my Walmart partner, I 20 really didn't now what questions to ask. You don't 21 know what you don't know. 22 You know, in hindsight, I would rather see 23 you guys maybe get involved in that onboarding. You 24 know, my partner, when we did the application for 25 Walmart, you know, he got on TeamViewer and we just</p>

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<p style="text-align: right;">9</p> <p>1 did it together, and that was great and whatever, but, 2 you know, then there's a laundry list of things that I 3 got to do that I wasn't sure how to go about. And if 4 I had a better understanding how my Walmart store 5 works as far as the back end -- and I know you guys 6 sent me a link to -- on how that works, and I'd click 7 on that link, I couldn't get it going for some reason. 8 And I kind of had my idea in my head. I've 9 been in retail (inaudible) and I wasn't worried about 10 it, but I kind of wish now in hindsight I would have 11 learned more about it, because -- because now, you 12 know, I look at it, it's like, oh, okay, this is why I 13 did this. But it would have been nice to have you 14 guys there. My Walmart partner wasn't always 15 available. I understand that, you know, I'm not his 16 only client, too. You know, he was always in with -- 17 within 24 hours, but it was always brief. But, yeah, 18 when the baton gets passed, I would have liked to have 19 seen you guys kind of there a little better. 20 And a couple other things, I'm maybe getting 21 ahead of myself -- if I am, stop -- but a few things I 22 think needed to be discussed more thoroughly would be 23 the possible delays or suspensions with Walmart and 24 Amazon that could cause issues. I've experienced my 25 Amazon account got shut down and stressed the hell out</p>	<p style="text-align: right;">11</p> <p>1 "fixed," I just had to reset it, but they won't change 2 the 30. The 30 is always going to be there. And for 3 that to -- I've got to call every time to not remove 4 it but just -- just to reset it. So if you are 5 signing up, I would, you know, whatever kind of credit 6 line you're using, you know, just kind of make sure 7 it's available. 8 And all -- you know, I -- I mostly use a 9 Wells Fargo card, and they randomly -- and I can do as 10 many transactions as possible, but they will randomly 11 pick out five transactions in a row after two days, 12 like this is like clockwork, and they'll decline them 13 and then they'll send me an email saying suspicious 14 activity. Like, well, you've -- you've done, you 15 know, 1,000 Amazon, you know, so whatever algorithms 16 they use, they don't -- they just keep it that way; 17 they won't change it. So that's been kind of a 18 frustrating part. You know, nothing we can't figure 19 out or have figured. So there's been -- 20 ASANTE MONADJEMI: Right. 21 BRIAN KRUEGER: -- more time spent than I 22 thought I would, kind of juggling to get that credit 23 line there going. And, also, another thing is, you 24 know, Walmart -- this happened just yesterday, 25 actually -- they delayed my payment. They pay every</p>
<p style="text-align: right;">10</p> <p>1 of me, couldn't get a hold of my guy until the next 2 day. He goes, oh, no problem, and I had it back up in 3 hours. So it was an easy fix, but there's that 4 anxiety there. 5 ASANTE MONADJEMI: Of course. 6 BRIAN KRUEGER: And I guess you're -- I 7 guess you're going to have that. You know, that's 8 just kind of what it is on that, but, you know, 9 money's involved. 10 But another thing that -- which I -- you 11 know, in hindsight I wish would have been discussed 12 further is the credit line. Maybe have -- you gave me 13 an option to have something done, and I actually did 14 that, but if you're using a credit card, there's 15 restrictions on those credit cards. 16 Like, I had one card where I have a 10 grand 17 credit line on it, and, you know, after -- after 30 18 transactions, it gets shut down, and there's nothing 19 you can do about that if it happens. You know, I find 20 out at 10:00 at night. I can't do it, you know, and 21 your -- and the processes stop in the middle of the 22 night. I ended up with 34 declines, and there's 23 nothing I could have done about it. 24 And actually I didn't lose a sale on it 25 because I had it fixed the next day. And when I say</p>	<p style="text-align: right;">12</p> <p>1 two weeks. They delayed it 28 days. So that changes 2 my whole strategy on my cash flow. I've got to scale 3 this thing down a little bit or slow it down. And we 4 don't know why because, like, all the metrics on our 5 store are great. 6 There's one that's a little, eh, okay, but 7 it's not terrible, according to my Walmart partner, 8 but other than that, everything is -- is -- looks 9 great. He says it's somewhat not a common thing but 10 it happens to a lot of his accounts, and, you know, if 11 I would have known that, you know, I don't have 12 unlimited, you know, cash and credit. For someone who 13 does, we're not unlimited, but a little -- a little 14 heavier in the pockets, maybe not stressed, then they 15 can just continue to scale it as is. 16 But I'm going to have to just change my 17 strategy a bit, but I think if I would have known 18 that, I would have -- you know, ahead of time, I would 19 have slowed down the process from the beginning a 20 little bit. I know it's hard to do when you see that 21 money and the sales rolling in and you get excited, 22 but I would have changed -- you know, changed that 23 strategy a bit. And moving forward, I don't know when 24 that's going to get changed. 25 So instead of me getting paid August 31st,</p>

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<p>13</p> <p>1 like now, that got moved to the 14th. So I don't know 2 after the 14th, do I got to wait another 28 days, and 3 there's only so much in control that you have control 4 over, you know, and that -- you know, that goes for 5 your partner that's running this thing as well. You 6 know, they -- Walmart kind of does what it wants and 7 so does Amazon. You know, they -- you know, they're 8 not happy with the 15 percent they're getting of our 9 sales; they also, you know, want to keep it longer, 10 you know? It's like, come on, you know? 11 So those are some things that, you know, 12 maybe discuss the cash flow part of it more and maybe 13 how to work -- how to work a strategy with the cash 14 that you think you're going to have. I would, you 15 know, recommend anyone who gets involved to think 16 about that and ask those questions revolving around 17 that. 18 Also, as part of the onboarding process, 19 obviously you got to set up your LLC and your tax 20 verification. There was initially -- Walmart uses a 21 third-party payment processor. I put in all my info 22 for my LLC and my tax ID, and they couldn't verify it. 23 Apparently, it takes the IRS, you know, I think it -- 24 they said four to five weeks to have it all across 25 their systems, and so I opened up a case with them,</p>	<p>15</p> <p>1 know, but believe me, it's a little stress, I guess. 2 ASANTE MONADJEMI: No, of course. 3 BRIAN KRUEGER: Yeah. 4 ASANTE MONADJEMI: And, no, no need to 5 apologize. I mean, I think that that's really the -- 6 the value of this, is so that, you know, people know 7 that there's a business being operated, and -- and -- 8 BRIAN KRUEGER: Mm-hmm. 9 ASANTE MONADJEMI: -- you know, so -- so 10 from that standpoint, like, definitely appreciate 11 everything that you're saying. I think that the -- 12 the positive aspects of these is that -- I mean, from 13 a working capital standpoint, I don't know if you've 14 gotten the email -- and for those -- everybody 15 watching, the new AmEx partnership that we have is a 16 big solver for -- for working capital and kind of 17 extending those limits. 18 Brian, I'm happy to send you more 19 information about that actually afterwards if you 20 haven't seen any of those emails or -- or gotten any 21 from the team, but basically we have a -- a 22 partnership with -- with American Express now and a 23 rep from American Express that, you know, they work 24 with a lot of companies such as Optimize that enables 25 them to have the confidence in the e-commerce system</p>
<p>14</p> <p>1 and it's still open. They've never even gotten to it. 2 So my Walmart partner asked me, well, open 3 up a case, you know, this is while I got money 4 sitting, you know, the Walmart stores and sort of my 5 seller (inaudible) I should call it. And, so, I 6 opened up a case with the third-party processor and 7 got it taken care of and then, you know, it was no 8 problem. But those are things that I just didn't know 9 that -- I didn't foresee coming. 10 ASANTE MONADJEMI: Right. 11 BRIAN KRUEGER: So those things may change 12 how you attack this (inaudible) is what I'm saying, 13 but -- 14 ASANTE MONADJEMI: Right. 15 BRIAN KRUEGER: -- at the end of the day, 16 everything has -- is going great. You know, the delay 17 hurts my cash flow and I'm going to have to slow it 18 down or find -- or use my liquidity if I choose to do 19 that. It's -- you know, everyone I ask this stuff 20 (inaudible) you know, how they want to go about it, 21 but -- sorry if I kind of went a little too long 22 there, but those are the -- you know, with the 23 onboarding and what's happened so far, you know, those 24 are the things, maybe the concerns I guess I have, but 25 when you see that money coming in, you're psyched, you</p>	<p>16</p> <p>1 to basically provide platinum cards for people, which, 2 you know, you won't have a lot of the issues you were 3 having with, like, Wells Fargo with a -- which is a 4 much larger, you know, traditional banking type setup, 5 where, like, you know, there's nothing -- you know, 6 maybe you can do on a specific credit card about like 7 them sometimes just for whatever reason kind of 8 flagging orders through -- through Amazon because 9 they're like why are you placing so many orders 10 through Amazon. It's, like, well, I'm running a 11 business. So -- but, you know, specifically, AmEx is 12 great for that, and so we can talk about that. 13 And, again, there -- there's going to be a 14 lot of definitely a lot of value in that long-term, as 15 well -- as well as the -- the onboarding process. I 16 believe you should be connected with KerryAnn now, who 17 is kind of leading our -- our internal customer 18 support team, and -- and, you know, she's been amazing 19 in answering everybody's questions and kind of 20 providing things, building out a lot of the, I guess, 21 guides, as you mentioned, just kind of different 22 things to talk about as well as kind of, you know, 23 more automations in place for -- for a lot of the 24 things that -- that you brought up and stuff. 25 So that should be, you know, really awesome</p>

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<p>17</p> <p>1 stuff that, you know, I think your -- your account was 2 started about -- was it three months ago when you went 3 live, or two and a half months? 4 BRIAN KRUEGER: No, I -- no, just -- I think 5 my first sales were in the first week of July, so -- 6 ASANTE MONADJEMI: Okay, cool. 7 BRIAN KRUEGER: -- and, you know, and just 8 want to add something real quick. I'm being the 9 devil's advocate here just because that's what I would 10 want if I'm the people listening. I mean, if I have 11 to do this all over again, it's a no-brainer yes. So 12 I don't want to -- you know, I'm not here to talk 13 anyone out of it, by any stretch, but I just wanted to 14 make sure that those are the things I wish I would 15 have known, you know, going -- 16 ASANTE MONADJEMI: Definitely. 17 BRIAN KRUEGER: -- into it. And I don't 18 know, more people on your call may already know all 19 this, may have, you know, the people that have some 20 familiarity with online business and Walmart and -- 21 and Amazon, but it's all been a positive, exciting 22 business experience for me so far. And I've got a lot 23 of faith in my Walmart partner and you guys as well, 24 so -- but like I said, I just want to make sure that, 25 you know, everyone deserves the facts, like here's --</p>	<p>19</p> <p>1 strengthen some of the things you were talking about, 2 just because, you know, it's really valuable for us to 3 get feedback. It helps strengthen our model and 4 everything, and -- and, so, I really definitely 5 appreciate your -- your openness there, and that's 6 what this is all about. 7 So, yeah, but, you know, if -- if you want, 8 now would be a great time if you wanted to kind of 9 open up your account, if you'd like to show kind of 10 just like revenue and what types of products are on 11 your store and breaking down like the margins and 12 everything and that would be awesome. 13 BRIAN KRUEGER: Sure. One sec here. 14 Okay, here is -- is this what you wanted 15 first, the numbers, or the Walmart Seller Center? 16 ASANTE MONADJEMI: Sure. 17 BRIAN KRUEGER: Okay. 18 ASANTE MONADJEMI: Sure, yeah. We can go -- 19 we can go into here. 20 BRIAN KRUEGER: This -- you want me to -- do 21 you want to lead this? Do you want me to just -- 22 ASANTE MONADJEMI: Yeah, if you just scroll 23 -- like you mentioned -- 24 BRIAN KRUEGER: Yeah. 25 ASANTE MONADJEMI: -- to your first month.</p>
<p>18</p> <p>1 this is my experience and I hope this is what you're 2 looking for when you brought me on. 3 ASANTE MONADJEMI: Definitely. Yeah, no, 4 and, again, I mean, I think is really important. I 5 mean, people want to see a client that they believe is 6 -- is, you know, on a system that's producing income, 7 and, you know, I think -- 8 BRIAN KRUEGER: Right. 9 ASANTE MONADJEMI: -- that we definitely 10 need to get to -- to showing that because that's 11 usually where a lot of the questions revolve around is 12 kind of how to break down, like, your -- your results 13 financially and kind of what -- 14 BRIAN KRUEGER: Mm-hmm. 15 ASANTE MONADJEMI: -- the profit margins are 16 and what types of products are being sold on your 17 account -- 18 BRIAN KRUEGER: Sure. 19 ASANTE MONADJEMI: -- and that kind of 20 stuff. So that will be super valuable, but, you know, 21 just because I didn't want to skip over it or anything 22 like that, I think that, you know, you mentioned your 23 first sales were in early July. I think that, you 24 know, in the last couple months, we've done several 25 things that we can talk to you about to kind of</p>	<p>20</p> <p>1 BRIAN KRUEGER: Okay. 2 ASANTE MONADJEMI: Sure. 3 BRIAN KRUEGER: Yeah, sure, okay. Yeah. 4 Here's the -- I guess it's July. I started -- it 5 looks like I got sales on the 4th, and, you know, it's 6 all day, every day. See, that margin seemed really 7 low to me (inaudible) next month it climbs up quite a 8 bit. And even this first month was, you know, three 9 times, four times what my first month -- well, the 10 projections that were given to me by you guys. 11 ASANTE MONADJEMI: Right. 12 BRIAN KRUEGER: So -- 13 ASANTE MONADJEMI: It's important for us, 14 you know, to, you know, with -- with our projections 15 and everything, we really want to -- we really want to 16 be as conservative as possible. We take, you know, 17 our -- 18 BRIAN KRUEGER: Mm-hmm. 19 ASANTE MONADJEMI: -- our -- our, like, 20 complete, you know, baseline accounts and, you know, 21 pull averages from that. And, so, you know, 22 obviously, you know, when we have accounts that -- 23 that overperform, such as -- as your account from a 24 revenue standpoint in the first month, you know, over 25 \$10,000 in sales, it's like that's -- that's amazing.</p>

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<p>21</p> <p>1 But, you know, I'm glad you mentioned the projections 2 thing because it's very important for us to, you know, 3 undersell, over-deliver is always the goal. 4 BRIAN KRUEGER: Sure. I'll click over to 5 August (inaudible) 31st (inaudible), yeah, the whole 6 month. So you can see there the sales are -- are 7 twice and some than the month before. 8 ASANTE MONADJEMI: Yep. 9 BRIAN KRUEGER: You know, that's what I got 10 tied up in, you know, and see the profit. I mean 11 that's -- that's like Month 8 or 9 on your guys' 12 projection. 13 ASANTE MONADJEMI: Yep. 14 BRIAN KRUEGER: I mean, that's -- it's 15 incredible, you know, to see the return on investment 16 is much higher than it was the first month. And I 17 think that's probably something that fluctuates from 18 month to month, from what I understand. 19 ASANTE MONADJEMI: Yep. 20 BRIAN KRUEGER: So -- 21 ASANTE MONADJEMI: Yeah, that'll fluctuate, 22 you know, based on time of year, as well as like 23 specifically, you know, what products you're selling 24 and stuff. Obviously certain categories are going to 25 have higher margins, but, you know, right around --</p>	<p>23</p> <p>1 that. 2 ASANTE MONADJEMI: Yep. 3 BRIAN KRUEGER: (Inaudible) stuff and, you 4 know, like, Asante, because I was telling you earlier, 5 you know, I don't really care about this stuff. I 6 don't really pay attention to it. I don't care what's 7 being sold. I just care about that spreadsheet. 8 ASANTE MONADJEMI: Yep. 9 BRIAN KRUEGER: And I care about, you know, 10 I'm going to go to the payments. 11 ASANTE MONADJEMI: Yeah. 12 BRIAN KRUEGER: I care -- I mean, that's 13 what's in my account right now. I mean, you know, 14 that versus what's on my credit card, and this is 15 going to lag a little bit, you know, I just want to 16 make sure that, you know, the spreadsheet's correct, 17 so you can -- you know, you can reconcile it on your 18 own. I don't, and that's just as simple as, you know, 19 say we went into this month and you just -- look what 20 was paid to me on the 3rd, and then you just download 21 a -- you know, a report. And it has every item -- 22 every item that was sold on the spreadsheet. 23 ASANTE MONADJEMI: Exactly. 24 BRIAN KRUEGER: Reconcile that any way you 25 want. Like I said, I don't do it. I just don't have</p>
<p>22</p> <p>1 again, that's -- that's a great percentage, right 2 around, like, you know, 18 is kind of standard as far 3 as average. 4 BRIAN KRUEGER: Sure. 5 ASANTE MONADJEMI: But, obviously, you know, 6 as time goes on, especially with specific accounts, 7 where, you know, a big part of the process is 8 obviously, you know, pulling in products that -- that 9 have the highest return possible. So this is great to 10 see -- but, yeah, I mean, if you want to -- I think 11 another big -- a big thing is -- is people kind of 12 seeing what types of products are being sold through 13 stores. So if you wouldn't mind going over to the 14 product -- or your -- you know, your Seller Central 15 tab would be fantastic. 16 BRIAN KRUEGER: Yeah. 17 ASANTE MONADJEMI: And, yeah, here we go. 18 So just over 500 items published. That's bananas. 19 (Inaudible) teas. 20 BRIAN KRUEGER: I mean, it's -- it's 21 everything under the sun. There's not one -- you 22 know, I can't -- I think the best way to show that 23 would be this (inaudible) what kind of (inaudible) 24 okay, there we go. And that kind of shows you what's 25 being sold -- air and water, wellness, care and all</p>	<p>24</p> <p>1 time, I don't care, you know, but -- 2 ASANTE MONADJEMI: But I think -- 3 BRIAN KRUEGER: -- like I said, the -- 4 ASANTE MONADJEMI: -- I think -- 5 BRIAN KRUEGER: -- money matches and the -- 6 and the profit's good. 7 ASANTE MONADJEMI: Yeah. 8 BRIAN KRUEGER: I don't need to -- 9 ASANTE MONADJEMI: But I think, you know, as 10 we were discussing, I think what's important is that, 11 you know, a lot of people are coming in from your 12 position, you know, the reason they want this program 13 is because they don't necessarily want to dive into 14 the analytics of the entire system. Some people do, 15 and, you know, this is -- 16 BRIAN KRUEGER: Right. 17 ASANTE MONADJEMI: -- kind of why this -- 18 this account is provided, but, you know, it's -- it's 19 good for people to see that there's, you know, tabs 20 where they can just -- as you mentioned just like of 21 easily just check things with -- with their sheets and 22 -- and make sure that everything is balanced, because 23 sometimes that's all you really have time to do is just 24 make sure that everything is in good standing. 25 So, yeah, definitely appreciate that.</p>

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<p>25</p> <p>1 There's going to be a lot of people that relate to 2 your sentiment. 3 BRIAN KRUEGER: Sure. And like I said about 4 the -- you know, you can see that little note up 5 there, "Settlement of your shipments are delayed 28 6 days." I'm still figuring out why. I got to call 7 them (inaudible) about that. 8 ASANTE MONADJEMI: Yep. 9 BRIAN KRUEGER: And you can see how, you 10 know, this, you know, statement periods are going to 11 run July 1st through September 11th. 12 ASANTE MONADJEMI: Yep. 13 BRIAN KRUEGER: You know, you can see that 14 once before I got paid. This -- this is when I first 15 started. This is the first pay. We should stop in 16 here, that's 6,000, and my next one will be about 12- 17 but, you know, that 12- is probably going to have to 18 possibly last me a month, so I'm going to, you know, 19 spread that out. But, you know, we're still growing. 20 ASANTE MONADJEMI: Yeah, and as I mentioned, 21 we'll -- 22 BRIAN KRUEGER: (Inaudible). 23 ASANTE MONADJEMI: -- be set up -- we'll be 24 set up maybe even this week. It actually only takes a 25 couple days, but we can get you set up with the AmEx</p>	<p>27</p> <p>1 ASANTE MONADJEMI: Yeah, you can do -- 2 SHION GALATA: Just the last -- yeah, it 3 doesn't matter. The last 14 and the last 30 would be 4 great. 5 ASANTE MONADJEMI: Yeah, that would be 6 awesome. 7 SHION GALATA: And you have to click 8 "apply." 9 BRIAN KRUEGER: Apply? Okay. 10 ASANTE MONADJEMI: Yep. 11 SHION GALATA: Thank you so much. 12 BRIAN KRUEGER: You bet. 13 ASANTE MONADJEMI: There you go. 14 BRIAN KRUEGER: Okay. 15 ASANTE MONADJEMI: The last 14 days, there. 16 Yeah, and we're really -- we're really 17 excited, obviously, you know, coming up in Q4 is going 18 to be exciting for any e-commerce company, but, you 19 know, it's -- it's going to be really fun for your 20 account over the next three months or so, seeing kind 21 of the ramping of -- of sales and stuff, and I think 22 the AmEx stuff will help out a lot with that. But it 23 should be really fun. Yeah, there you go. 24 So just over 50,000 in revenue in the last 25 30 days.</p>
<p>26</p> <p>1 stuff so that you can keep scaling there and won't 2 experience any delays as far as you working capital 3 allotment and your availability, that would be great 4 for your account. 5 BRIAN KRUEGER: Sure. 6 SHION GALATA: Hey, Brian, do you mind going 7 to your performance and showing everyone the last 8 week's results and then the last 30 days? 9 BRIAN KRUEGER: Sure. 10 ASANTE MONADJEMI: Thanks, Shi. 11 BRIAN KRUEGER: You bet. Here is -- let's 12 see, I forgot how to do this here. This would be from 13 the 24th through the 30th. 14 ASANTE MONADJEMI: Yeah, it's going to be up 15 in the top right, where you can select -- yeah, right. 16 BRIAN KRUEGER: And stop, there we go. 17 Okay, I had -- 18 ASANTE MONADJEMI: Last seven days, exactly. 19 BRIAN KRUEGER: (Inaudible) okay. Last 20 seven. 21 ASANTE MONADJEMI: Yeah, I just moved -- I 22 just moved everybody as well. 23 BRIAN KRUEGER: Yeah. So you want -- what'd 24 you want me to go, Shi? I'm sorry. Here's the last 25 seven, last 14, the last --</p>	<p>28</p> <p>1 BRIAN KRUEGER: Yes. Yeah, that's -- 2 ASANTE MONADJEMI: And just -- just so 3 people can kind of gauge timelines as well here and -- 4 and kind of how long your account's been running, do 5 you remember the -- the date, I guess, that -- that -- 6 that you moved forward, just so people can understand, 7 like, maybe from signing period to like you said, 8 first sale -- 9 BRIAN KRUEGER: Oh (inaudible) I want to say 10 the first week in June, maybe. 11 ASANTE MONADJEMI: Fantastic. 12 BRIAN KRUEGER: Because I signed the -- I 13 could be wrong on that. It's somewhat of a guess, but 14 around there, because I remember getting my -- you 15 know, my tax stuff, forming the LLC -- 16 ASANTE MONADJEMI: Yep. 17 BRIAN KRUEGER: -- on the 16th, so it 18 probably was right around there. 19 ASANTE MONADJEMI: Yep. Perfect. 20 BRIAN KRUEGER: Now it's -- it's a three- 21 week process. I would say if you -- if you're going 22 to do it, just get an order as fast as you can, a 23 specific tax verification, and take some time, you 24 know, to get all the IRS systems and where they need 25 to be for them to check it.</p>

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<p>1 ASANTE MONADJEMI: Yep.</p> <p>2 BRIAN KRUEGER: But we got it worked out and</p> <p>3 rolling, so...</p> <p>4 ASANTE MONADJEMI: Fantastic. This is super</p> <p>5 helpful.</p> <p>6 Shion, do you have any other good ideas?</p> <p>7 SHION GALATA: No other good ideas from my</p> <p>8 end, but I -- Brian, I tremendously appreciate you for</p> <p>9 showing everyone the back end of your store. I think</p> <p>10 your store is doing really well. Fifty-K in revenue</p> <p>11 in the last 30 days is pretty incredible.</p> <p>12 ASANTE MONADJEMI: Yeah.</p> <p>13 SHION GALATA: So congratulations.</p> <p>14 BRIAN KRUEGER: Thank you. Thank you very</p> <p>15 much.</p> <p>16 ASANTE MONADJEMI: Yeah.</p> <p>17 BRIAN KRUEGER: Appreciate all you guys have</p> <p>18 done.</p> <p>19 ASANTE MONADJEMI: Absolutely.</p> <p>20 So, yeah, I mean, I guess -- I think that</p> <p>21 that wraps up. Brian, if you had any, you know,</p> <p>22 followup comments, I know you mentioned, you know, you</p> <p>23 have done an excellent job of kind of communicating</p> <p>24 what -- what you would want to hear if you were in,</p> <p>25 you know, somebody's seat watching this -- watching</p>	<p>1 just, you know, that's not all -- you know, beer and</p> <p>2 pizza all the time. So just keep in that mind, I</p> <p>3 suppose, when you're doing it, but it's -- you know,</p> <p>4 as far as my experience so far, it's -- it's -- it's</p> <p>5 been good. I mean, there's -- it's not going to be</p> <p>6 perfect, and I know that, you know, when I first</p> <p>7 started, I expected my partner just to be at my beck</p> <p>8 and call when I had a question.</p> <p>9 It just -- you know, it just doesn't work</p> <p>10 like that. You know, he's -- he's got clients --</p> <p>11 other clients, and I've always gotten an answer within</p> <p>12 24 hours. It's gone pretty smooth. I get along, you</p> <p>13 know, great.</p> <p>14 ASANTE MONADJEMI: Fantastic. Well, I mean,</p> <p>15 it's one of our -- one of our main priorities as we --</p> <p>16 as we keep building this is to, you know, really build</p> <p>17 on our teams, not just on the performance side to get</p> <p>18 accounts in this standing, but also, you know, on the</p> <p>19 availability of -- of account managers for -- for you</p> <p>20 to reach out to, as you mentioned, you know, at any</p> <p>21 point.</p> <p>22 That's a big goal of ours, and, you know,</p> <p>23 it's -- it's one of the things that a lot of people</p> <p>24 give feedback about, just within the e-commerce space,</p> <p>25 is, you know, pro of having people that you feel like</p>
30	32
<p>1 this -- this call.</p> <p>2 Do you have any, I guess, like last notes or</p> <p>3 -- or anything that you'd want to say before we open</p> <p>4 up the Q&amp;A as far as, like, you know, with -- with the</p> <p>5 feedback you've given, kind of with, you know, the</p> <p>6 advancement of what we're trying to accomplish here in</p> <p>7 making things easier for our partners and, you know,</p> <p>8 on a daily basis trying to optimize everything and,</p> <p>9 you know, get these accounts running to their max</p> <p>10 performance and stuff, is there anything that you</p> <p>11 would want to kind of communicate as kind of a final</p> <p>12 note to -- to anybody watching or anybody that winds</p> <p>13 up, like, watching the recording?</p> <p>14 BRIAN KRUEGER: No, I think I pretty much</p> <p>15 got everything out there, my -- most of my concerns.</p> <p>16 You know, it's -- it's -- it's daunting when, you</p> <p>17 know, we all come from different means. It's just --</p> <p>18 it's just a little daunting when you have that -- you</p> <p>19 know, right now, I've got -- so I got 35,000 sitting</p> <p>20 in there, and, you know, I know I'm going to get it,</p> <p>21 but it's just I don't have it and I got credit cards</p> <p>22 maxed out, and, you know, so it's a -- there's a</p> <p>23 little stress with that, but that just is what it is.</p> <p>24 I mean, owning a small business, you get</p> <p>25 those bumps in the roads and those hiccups. That's</p>	<p>1 you can always reach out to and con of, you know,</p> <p>2 sometimes, you know, systems being, I guess, spread</p> <p>3 out, spread thin.</p> <p>4 So, you know, we want to obviously</p> <p>5 accommodate and be there for -- for everybody, and so</p> <p>6 we really appreciate you working with us and working</p> <p>7 on this -- on this store and -- and keeping it going</p> <p>8 because, you know, your feedback is valuable, and</p> <p>9 obviously your -- you know, your presence here has</p> <p>10 been -- has been appreciated in so many different</p> <p>11 ways, especially for the transparency you offered and</p> <p>12 just kind of showing your account and everything. So</p> <p>13 much appreciated, man. And, you know --</p> <p>14 BRIAN KRUEGER: (Inaudible).</p> <p>15 ASANTE MONADJEMI: -- we'll -- that'll be</p> <p>16 reciprocated in many different ways.</p> <p>17 BRIAN KRUEGER: I appreciate it. Thank you.</p> <p>18 I'll -- then I'll leave if -- if that's fine, if</p> <p>19 you're all right with that. Do you want to give out</p> <p>20 my email to some -- you want me to stick around for</p> <p>21 some Q&amp;A, or anything --</p> <p>22 ASANTE MONADJEMI: Yeah, maybe -- maybe just</p> <p>23 for like -- if you could stick around for live five</p> <p>24 minutes of that would be okay --</p> <p>25 BRIAN KRUEGER: Yeah. I've got how much</p>

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<p>33</p> <p>1 ever time you need, so...</p> <p>2 ASANTE MONADJEMI: Okay, yeah, because</p> <p>3 people might have questions specifically for you, so I</p> <p>4 guess the --</p> <p>5 BRIAN KRUEGER: Yeah.</p> <p>6 ASANTE MONADJEMI: -- next statement is --</p> <p>7 if anybody has a question for Brian specifically, if</p> <p>8 you type it in the chat, I know there's a few</p> <p>9 questions here already specifically, but, you know, if</p> <p>10 people have questions, now would be a great time to</p> <p>11 just type them in the chat. If anybody didn't hear in</p> <p>12 the beginning, it's -- you know, we'd love to be able</p> <p>13 to talk and face-to-face and -- and chat with people</p> <p>14 and hear your lovely voices, but it can get kind of</p> <p>15 chaotic in a -- in a room full of people if</p> <p>16 everybody's talking over each other.</p> <p>17 So please, if you have questions, write them</p> <p>18 in the chat. You know, we'll start out with the ones</p> <p>19 that are for Brian, and, yeah, I guess -- nothing</p> <p>20 really specific here yet. Maybe through Ascend --</p> <p>21 yes, Brian is -- is working with our account manager,</p> <p>22 Ascend, so, you know, most of the -- most of the stuff</p> <p>23 about -- about all these systems are going to be</p> <p>24 synonymous.</p> <p>25 It's mostly just kind of where we feel is</p>	<p>35</p> <p>1 ASANTE MONADJEMI: And what -- what -- I</p> <p>2 think this is probably a good question as well. What</p> <p>3 -- what limit did you start with on your -- on your</p> <p>4 credit card?</p> <p>5 BRIAN KRUEGER: I -- I started with a -- I</p> <p>6 gave -- I put out a \$20,000 credit line, just cleaned</p> <p>7 off a card (inaudible) but --</p> <p>8 ASANTE MONADJEMI: Cool.</p> <p>9 BRIAN KRUEGER: -- started using a couple</p> <p>10 others that I mix in there, so...</p> <p>11 ASANTE MONADJEMI: Cool. Awesome. How soon</p> <p>12 does it take the store to return the working capital?</p> <p>13 It looked like the -- the payout date on that -- on</p> <p>14 that period on -- on your account, Brian, was</p> <p>15 September 14th, right, with the --</p> <p>16 BRIAN KRUEGER: Right.</p> <p>17 ASANTE MONADJEMI: -- with the brief delay.</p> <p>18 BRIAN KRUEGER: The thirty -- right.</p> <p>19 ASANTE MONADJEMI: Yeah.</p> <p>20 BRIAN KRUEGER: You know, what I'm getting</p> <p>21 -- getting on the 14th, I'll -- I -- I think -- I'm</p> <p>22 not sure what I will get out, so I don't want to</p> <p>23 answer that, but, yeah, I mean, when -- when -- when I</p> <p>24 get that -- when I get payments from them, I have been</p> <p>25 putting it all back to my credit card and just cycling</p>
<p>34</p> <p>1 the best match for people kind of where they are</p> <p>2 capital-wise and stuff like that is where we -- we</p> <p>3 assign and making sure -- I mean, that's ultimately</p> <p>4 our job, is to take care of people as -- as the -- the</p> <p>5 sales and -- and, you know, a little bit of customer</p> <p>6 service, and -- and kind of trying to find a balance</p> <p>7 of -- of hearing what somebody's looking for on the</p> <p>8 phone and matching them up with what we think the best</p> <p>9 opportunity is for them to be successful.</p> <p>10 So, you know, Brian, same goes to you.</p> <p>11 Obviously, you know, we're -- we're here and -- and to</p> <p>12 make things better with your account managers and</p> <p>13 everything like that. And definitely appreciate you,</p> <p>14 but, yeah, that was kind of a long answer to that</p> <p>15 question, but...</p> <p>16 How much was spent in working capital to get</p> <p>17 to 50K? How much is on your -- if you don't mind. I</p> <p>18 know that's a financial question, but --</p> <p>19 BRIAN KRUEGER: Oh, no. No, I don't --</p> <p>20 going to ask any of that up here. I have about</p> <p>21 27,000, I think, tied up today. As of yesterday, it</p> <p>22 was -- it was 27,000. It's probably a little more</p> <p>23 today.</p> <p>24 ASANTE MONADJEMI: Cool.</p> <p>25 BRIAN KRUEGER: Yep.</p>	<p>36</p> <p>1 it, too. I'm not hanging onto it (inaudible). I'm</p> <p>2 not sure I answered that question or not, but I looked</p> <p>3 at it this -- I mean, I've got a full-time job. I</p> <p>4 (inaudible) more investment side, so I'm just going to</p> <p>5 try to hold back what I have to pay, you know, my --</p> <p>6 the company I'm working with. So, yeah, I'm just</p> <p>7 going to, you know, continue.</p> <p>8 So it's going to be different for everybody</p> <p>9 how long it takes to get your -- you know, what you</p> <p>10 want out of it, but I don't plan on seeing a profit</p> <p>11 for a while. Just going to try to continue to grow it</p> <p>12 the best I can.</p> <p>13 ASANTE MONADJEMI: Absolutely. Yeah, that</p> <p>14 totally makes sense. There's another question: Are</p> <p>15 you able to pay the cards off, which you kind of just</p> <p>16 answered a little bit, but just to make sure it's --</p> <p>17 it's covered, are you able to pay off the -- the</p> <p>18 credit cards each month --</p> <p>19 BRIAN KRUEGER: Well, I --</p> <p>20 ASANTE MONADJEMI: -- with -- with -- like,</p> <p>21 when Walmart's hitting the schedule and I actually</p> <p>22 need to touch on that a little bit, but, first, first,</p> <p>23 are you -- are you paying off the full balance of the</p> <p>24 credit card each month?</p> <p>25 BRIAN KRUEGER: No, because you're growing</p>

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<p>37</p> <p>1 exponentially. You're -- you're not getting -- or 2 you're putting X amount out there, but you're not 3 getting it all back. So, you know, that's what I -- I 4 just decided just to continue growing, growing instead 5 of, you know, slowing it way down and paying it off 6 and waiving or however else can it be done. But -- 7 but, no, I mean, not right now, no, not when you're 8 starting, because you're growing so -- it's growing so 9 fast that I don't get it back fast enough to pay it 10 all off, like -- and, like, like you saw I have 23 out 11 there; my next payment's going to be 12. 12 ASANTE MONADJEMI: Right. 13 BRIAN KRUEGER: You know, so I'm only going 14 to be able to pay 12 now and use that 12 and whatever 15 else that I want to use. 16 ASANTE MONADJEMI: And just -- 17 BRIAN KRUEGER: Or just use that. 18 ASANTE MONADJEMI: -- roll into it. 19 BRIAN KRUEGER: Yeah. 20 ASANTE MONADJEMI: Yep. 21 BRIAN KRUEGER: So the probable answer to 22 that is no, depending on how you want to do it, if you 23 want to, you know, sink it all in and just keep it 24 rolling, but you're not going to be able to just -- 25 you know, just pay it all off every month. It just --</p>	<p>39</p> <p>1 time because obviously once you get to a certain 2 capacity as far as where you really want to be, you 3 can always, you know, work with your store in that way 4 and -- and -- but if you're really trying to just roll 5 it over, you kind of want to just let it lose and -- 6 and pay off as you're getting those payouts to kind of 7 maximize the revenue of the store. 8 Let's see. Let's see. I think those might 9 be -- I mean, most of these questions are -- are 10 obviously about the working capital and stuff. But 11 does anybody have any questions for -- for Brian they 12 feel like that they would want to ask specifically, or 13 -- don't want to hold Brian here for too long and -- 14 and then we're happy as a team to stay and talk as 15 long as necessary. That's what we're here for. 16 Well, Brian, I think if you want to -- if 17 you want to go, you're -- you're welcome to. You're 18 also welcome to stick around. I'm sure you've got 19 exciting things to do down in Balboa Island. So we'll 20 have to get lunch sometime. 21 BRIAN KRUEGER: Sounds good. Appreciate it, 22 guys. Thank you. 23 SHION GALATA: Yeah, Brian, I wish I -- 24 ASANTE MONADJEMI: (Inaudible) second 25 meeting -- took a meeting at GuacAmigos recently.</p>
<p>38</p> <p>1 you know, it's another thing maybe, you know, cash 2 flow is an important think to understand, and it's -- 3 you need to have a good grip on that, you know, before 4 you get started. 5 ASANTE MONADJEMI: Absolutely. 6 BRIAN KRUEGER: Yeah. Let's see. I guess 7 touching on the -- they payout schedule, so Walmart 8 starts with a -- with a delay within the first 70, 90 9 days. I know Shion has some experience talking about 10 that, if you want to touch on it. 11 SHION GALATA: Yeah. So for the first 70 12 days, there's essentially a two-week delay on already 13 being paid out every two weeks. So if your first 14 order came, like in September 1st, you'd be paid out 15 like on September 28th. After 70 days, you're getting 16 paid out every two weeks. The sales cycle is Sunday 17 through Sunday for the previous two weeks, and then 18 you're paid out on the following Tuesday. 19 ASANTE MONADJEMI: Yeah. So -- so from a 20 cash flow standpoint, that's pretty important to 21 understand, and definitely make sure to ask those 22 questions on -- on calls and stuff like that. But, 23 yeah, as Brian mentioned, if you're really trying to 24 roll into a store, you kind of just want to let it 25 keep going and paying it off as much as you can over</p>	<p>40</p> <p>1 It's a phenomenal spot. 2 BRIAN KRUEGER: Oh, yep. 3 ASANTE MONADJEMI: Tony runs a restaurant 4 down there. It's pretty good. 5 BRIAN KRUEGER: No, that's great. Sounds 6 great, guys. Thank you. 7 ASANTE MONADJEMI: All right. Take care. 8 SHION GALATA: Thank you so much, Brian. 9 BRIAN KRUEGER: Yep. 10 ASANTE MONADJEMI: So, yeah. So, you know, 11 as mentioned, we're happy to stay here as long -- as 12 long as people have questions and -- and kind of get 13 through a lot of this stuff. 14 The first question that was asked -- great 15 question -- was, you know, what is Optimize doing to 16 prevent suspensions. So we actually have a blog 17 article coming out about that within the next, like -- 18 hopefully, within the next week or so. We just gave a 19 bunch of fun topics to our blog writer, but there's a 20 lot that goes into that obviously. There's 21 compliance, which, you know, as somebody just 22 mentioned in the chat, compliance is -- is very 23 important on the Walmart side of things. There's some 24 things you have to do as far as kind of order flow of 25 making sure that -- that, you know, on the drop-</p>

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<p>41</p> <p>1 shipping side you're staying compliant whether that's 2 on Amazon or Walmart side. 3 There's also, you know, account health. A 4 lot of those things happen even before the stores 5 start selling as far as the way the information is -- 6 is entered onto the stores. That's actually been a 7 big thing for us, is making that as efficient as 8 possible. You know, the reason why we have people 9 entering in their own information on the stores is for 10 -- is for security purposes to make sure the stores 11 say live. 12 But we've actually figured out some things 13 to make that easier and to kind of take that onto our 14 team so that, you know, somebody that has very little 15 experience, which is, you know, most people with kind 16 of entering this information, opening these online 17 accounts, starting businesses, can really be as hands- 18 off as possible. 19 But what that means is, you know, from a 20 suspension standpoint, a lot of people will start a 21 store and they'll change maybe their phone number or 22 their address on that account. And, actually, what 23 that will do is flag in the Walmart system. That 24 store can get suspended because, you know, the major 25 priority for Amazon and Walmart both is that, you</p>	<p>43</p> <p>1 make sure things are happening, and that in a positive 2 direction to make sure that people are continuing on 3 with their program, and, so, yeah. 4 Let's see. AmEx, I have too many platinum 5 and gold business AmEx business cards to count for 6 other businesses. It's the only way I do business. 7 AmEx is incredible. If you guys have an opportunity 8 to talk to your salesperson that you've been -- that 9 you've been speaking with and has led you to this 10 call, our AmEx portal is very simple. You just need 11 to have your -- basically a 700 credit score or above. 12 And we have options to help you out with that if 13 that's -- that's not your credit on FICO. 14 And you need to have your EIN assigned 15 already to your LLC. So if you have those two things, 16 700 credit score and an EIN, it's that simple. We 17 basically -- if you feel comfortable, you can give 18 that information to us and we can basically enter your 19 information into our AmEx partner portal. Or we can 20 just enter your phone number and your email, and our 21 AmEx rep, Jonathan, will reach out to you and help you 22 set up your accounts, and you can give him your EIN. 23 We did it ourselves as a proof of concept, 24 obviously, and that's how we started the relationship. 25 And what that will allow you to do for anybody who's</p>
<p>42</p> <p>1 know, the stores that are selling on their platforms 2 make people feel comfortable and provide a good user 3 experience. 4 And, so, you know, it's very important for a 5 team to stay up to date on all the things that are 6 happening and avoid any red flags that, you know, may 7 have just been a simple user decision, like changing a 8 phone number, but for those platforms, it can result 9 in suspension down the road. 10 So, you know, we do a lot of things to make 11 sure that the accounts stay healthy and in the event 12 there's suspensions, just because, you know, these -- 13 these huge platforms, they kind of go through waves. 14 What we basically do as -- as Brian had mentioned, you 15 know, there's a brief delay with his Amazon account, 16 and we -- basically, our appeal team gets that back up 17 and running. 18 For him, it was, you know, within 24 hours 19 or within an hour, I believe he said, but, you know, 20 from a 24-hour standpoint, get that account back up 21 and running. And if there ever is an issue that's 22 kind of without -- or outside the realm of our 23 knowledge, which is very, very rare, across the 24 hundreds of accounts that we have, we -- we will go 25 out of our way basically to -- to replace accounts, to</p>	<p>44</p> <p>1 looking for multiple accounts actually is that you are 2 also going to be able to set up virtual cards, where, 3 you know, Jonathan, the rep, will do all that for you, 4 very simple. But you'll be able to set up virtual 5 cards where you can put one card on each one of the 6 stores you have. And you can even just use a virtual 7 card for -- for the one store if you're only doing a 8 single store. 9 And, you know, one of the main things on 10 Amazon and Walmart is that you can't put the same 11 account on multiple stores. And, so, the virtual 12 cards enable you to do that from one account so that 13 you can keep a very simple financial tracking process 14 to what you're spending to your stores. 15 So the AmEx partnership is incredible. With 16 our program, as everybody just saw, you know, over 17 \$30,000 of working capital has been used within the 18 first couple months. All you need to do is spend 19 \$15,000 in working capital to get access to 150,000 20 points, which is plenty for a trip to, you know, 21 London or something like that. 22 So I guess you could call it a free trip 23 with the working capital you're spending, and there's 24 points involved and all kinds of things. So cool -- 25 cool opportunity working with -- with AmEx on -- on</p>

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<p style="text-align: right;">45</p> <p>1 scaling these stores, and that's -- that's going to be 2 really helpful for -- for a lot of you if you decide 3 to move forward. 4 Let's see. I have both Amazon and Walmart's 5 accounts working with very little e-commerce. Can I 6 use those stores to expedite the process? 7 Yes, great question. We have to do a review 8 of the accounts just to make sure that they're 9 obviously in good health, and we -- we, you know, will 10 look into that and -- and see everything is -- is all 11 good there, but we can use old accounts actually, and 12 in some cases, it's a huge benefit, depending on how 13 old the account is, how much revenue has flowed 14 through -- flowed through, and so on and so forth. 15 Do -- as the account owners, do you own all 16 of the emails? No. So Amazon is actually soon to 17 make it possible for you as a seller to access the 18 information of your customers directly. That's been a 19 big privacy thing, obviously, because, you know, not 20 everybody is -- is going to want their information to 21 be available to sellers. That's potentially changing, 22 but as of right now, unless the customer reaches out 23 to you, you do not have access to the customer's 24 emails. 25 As soon as that is available, that'll be</p>	<p style="text-align: right;">47</p> <p>1 have in our business model is actually helping 2 facilitate the process of selling to these companies 3 that are coming in, getting capital, and consolidating 4 the space, buying up -- you know, it's kind of like 5 virtual real estate of who's selling and who has 6 market share on Amazon and Walmart. And, so, you 7 know, people are coming in and just buying as much as 8 possible, and that's all done through, you know, 9 through capital raises and -- and taking loans and 10 stuff like that. 11 So it's definitely an option for our 12 partners. It really just depends on where you're 13 coming in. You know, as far as needing a lot of 14 people, there are VAs that are on, you know, a lot of 15 the accounts that are handling stuff. There's 16 obviously account managers to speak with each and 17 every one of our clients. You know, there's -- 18 there's support things that need to happen while 19 you're scaling a business that are -- that are 20 important for -- for just infrastructure and 21 capability, and those are the things that, you know, 22 we continue to scale over time as -- as we -- as we 23 take on more clients proactively. 24 Looks like -- is it possible to scale past 25 30K per month in profit consistently? Absolutely.</p>
<p style="text-align: right;">46</p> <p>1 very interesting from a -- you know, branding 2 standpoint, obviously. You know, there's not much 3 marketing that goes into the Walmart and Amazon 4 stores. That's kind of the benefit, but when you're 5 growing stores on multiple platforms, having the 6 information of your customers is great for lookalike 7 audiences and, you know, email campaigns and stuff and 8 so on and so forth to increase sales. 9 Yes, Brian had a Walmart store only. 10 Let's see. Needing new people from a 11 scaling standpoint, taking out loans. Some people can 12 and some people can't take out loans. For those of 13 you that have more financial history and background, 14 totally possible, taking out loans. As you mentioned, 15 you know, capital is very cheap right now. That's a 16 big reason why, you know, the back end of our model 17 and, you know, a huge value point for us is why 18 there's a lot of people coming in and acquiring a lot 19 of these stores, is that capital is cheap and people 20 are raising -- you know, there's -- it seems like 21 there's a new company every week that's raised, you 22 know, \$50 to \$100 million to come in and buy a bunch 23 of stores. 24 So, you know, one of our goals in scaling 25 stores for our partners and one of the things that we</p>	<p style="text-align: right;">48</p> <p>1 You know, there's -- there's certain things that we 2 want to avoid and one of them is actually scaling too 3 quick. So, you know, it's -- you don't necessarily 4 want to flood a bunch of capital through a store in 5 the very beginning because, you know, talking about 6 the suspension conversation, that could happen. 7 There's velocity checks on Amazon. Walmart, you don't 8 want to load too many SKUs at the same time, which has 9 a big impact on how much you're selling. 10 And, so, you know, when you look 6 to 12 11 months down the road, if you have the working capital 12 to be able to push, you know, maybe \$100-and -- 13 \$130,000, \$140,000 in revenue through a store 14 consistently, that can totally happen. There's -- 15 there's a bunch of accounts that are doing, you know, 16 over a million dollars in revenue a month. So, you 17 know, it's -- it's not an issue down the road. It 18 just comes down to very careful management and 19 seasoning the store properly. 20 Same question, you know, if you have a 21 Walmart store with 40K credit line, why is it not 22 maximized? A few variables. Obviously, you know, the 23 amount of -- the amount of SKUs on a store, how fast 24 you want to scale that store in the beginning. It 25 really depends kind of on -- on, you know, how long</p>

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<p style="text-align: right;">49</p> <p>1 the store has been active, but, yeah, it's -- it's 2 mostly about being careful as a manager, but then 3 also, you know, doing things efficiently and scaling 4 properly and, you know, it's amazing to make, you 5 know, \$25,000 in -- in one month, but, you know, 6 making \$10,000 a month for a year if the \$25,000 in 7 one month gets a store suspended, you know, scaling it 8 efficiently will wind up making a lot more money in 9 the long run. 10 So if it is, you know, a goal of yours as a 11 -- as a client, as a store owner, to scale a store as 12 fast as possible, it just comes down to communication 13 with -- with your store manager and making sure that 14 they know your goals and are doing that in a safe way 15 that -- that they can get you to your financial goals 16 as soon as possible. 17 Let's see. Common question: If we're doing 18 everything on our side, what do we need clients for? 19 There's a bunch of metrics here. One of them is -- 20 is, you know, as far as building infrastructure and 21 just kind of the amount of accounts that you're 22 running, there's a huge value-add from a data 23 perspective of -- of spreading out horizontally. For 24 us, obviously, we're spending on marketing, which 25 enables us to work with, you know, countless people</p>	<p style="text-align: right;">51</p> <p>1 and -- and, you know, we'll be looking to -- you know, 2 this year, last year, and into the future, you know, 3 building as many stores as possible to build our 4 portfolio because, you know, we want to lean into this 5 space in a lot of different ways, and as creative 6 entrepreneurs ourselves, you know, we're -- we're 7 trying to take advantage and -- and really grow and 8 scale in -- in all the different areas that we can 9 long-term and bring as much value to our network as 10 possible. 11 Let's see. What are the chances of getting 12 a -- a store suspended, and why, if your metrics are 13 in good health, would your store be suspended? So, 14 you know, the -- the suspensions can happen for a 15 couple different reasons. Again, there's -- there's a 16 lot of things you do from account maintenance and 17 setup process that will -- that will avoid account 18 suspensions. 19 But, you know, working with large platforms 20 such as Amazon and Walmart, they -- you know, they're 21 implementing new policies and -- and changing things 22 over time that, you know, the -- the difference 23 between, you know, a manager that's going to 24 experience a lot of suspensions and a manager that's 25 only going to experience maybe a couple is really</p>
<p style="text-align: right;">50</p> <p>1 such as yourselves, and so, you know, for us, it's 2 kind of like a small -- a small slice of a big pie 3 versus, you know, having the whole small pie. 4 That was a butchered way to explain that -- 5 that analogy, but, you know, it's -- it's -- that 6 really stands. For us, you know, taking a percentage 7 of -- of the growth of, you know, maybe 500, 1,000 8 people is going to be a much better use of our capital 9 as far as growing that model as, you know, scaling 10 some of our stores internally with -- with much less 11 capital. 12 And, so, you know, one of the things that we 13 want to do in the future, as mentioned, is that 14 there's -- there's a lot of partners and companies 15 that are coming and looking to acquire maximum -- or a 16 ton of different, you know, stores at the same time. 17 And by us kind of branching out and -- and working 18 with a bunch of different clients, that enables us to 19 have kind of a -- a -- you know, a position in the 20 space where we can have those negotiations, help our 21 partners sell stores such as, you know, the clients 22 we're bringing on and -- and so on and so forth. 23 So, you know, there's a lot of reasons to 24 kind of do this. The other side of that answer is 25 that we actually do scale a lot of stores ourselves</p>	<p style="text-align: right;">52</p> <p>1 staying ahead and -- and staying proactive as far as 2 what you can do to, you know, to mitigate the chance 3 of your, you know, accounts in good health getting 4 suspended. 5 A big thing there, you know, as an example, 6 on Walmart -- or, I'm sorry, on -- on Amazon, they've 7 been really cracking down on drop-shipping. So a big 8 adjustment that we made was, you know, instead of 9 drop-shipping right from the beginning of a store, you 10 wait until a store is actually six months old or 11 you've seen \$10,000 in revenue go through that store, 12 which is, you know, wholesale or FBA. 13 And, so, you know, that's one of the things 14 where, you know, there's going to be a lot of people 15 that still try to push drop-shipping because it's 16 quick revenue, but they're not really thinking long- 17 term about the -- the probability of getting 18 suspended. And, so, you know, there's -- there's 19 things you can do there. There's a lot of things you 20 can do with warehousing to kind of, you know, make 21 sure you're staying compliant. 22 It's -- it's all about proactive management 23 that basically reduces the likelihood of getting 24 account suspended, but it seems that -- that, you 25 know, from time to time, Walmart and Amazon, they'll</p>

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<p style="text-align: right;">53</p> <p>1 make a policy change, they'll suspend some stores 2 across the board, and then it's just, you know, the 3 appeal process is -- is really important because 4 obviously, you know, making sure that -- that sellers 5 are -- are still coming onto their platforms, Walmart 6 and Amazon don't want to eliminate that because, you 7 know, 60 percent of the revenue on those platforms 8 comes from third-party sellers. And, so, you know, 9 while they want to make the -- the platforms healthier 10 for their consumers, they also want the platforms to 11 continue scaling with third-party sellers. 12 So it really just comes down to having a 13 good relationship with those platforms and making sure 14 you're doing everything you can to, you know, keep 15 stores healthy but if there is a -- if there is an 16 occasional suspension appealing that and knowing 17 exactly how to do that, what -- the steps necessary, 18 such as that you have to write an essay, you have to 19 do different things, and -- and our team takes care of 20 those things. 21 Let's see. Seems services end after 12 22 months, what happens then? Because you are basically 23 the owner of the account, the contract term is 24 extended indefinitely essentially if -- once your -- 25 once your initial term is up. Some people with --</p>	<p style="text-align: right;">55</p> <p>1 And from a testimonial perspective, as far 2 as, you know, people that have been with the company 3 for a few months, it's really important to us that we 4 show kind of the growth of -- of accounts and talk 5 about people's experiences. Amazon and Walmart, you 6 know, the platforms change quite a bit over time, and 7 so some of the feedback that we get is that people 8 want to see kind of accounts that have been started 9 recently so that, you know, they can get a feel of how 10 things are now and what we're doing now to make things 11 better and to keep health on -- on, you know, stores 12 and to scale things and that if our methods are still 13 working and so on and so forth. 14 And, so, that's a big reason we bring people 15 in that, you know, started recently and -- so that we 16 can bring, you know, what the -- the closest thing to 17 what, you know, your experience would be as a -- as a 18 prospect and then talk about on the call like the 19 different things that we're doing to strengthen that 20 relative to what somebody's experience is on the call, 21 obviously. It's always a growing process, and -- and, 22 you know, we want to be really, really open about that 23 and showcase how we're -- how we're working on getting 24 stronger and better every day. 25 Let's see. I think that's the majority of</p>
<p style="text-align: right;">54</p> <p>1 especially with -- with other companies, we actually 2 get a decent amount of lead flow of people that have 3 been working with a company and want to change 4 management, mostly because of their relationship with 5 the company. Maybe they don't feel that, you know, 6 they're as warm or they're as open about things, and 7 so even if a store is doing well and maybe it's 8 underperforming a little bit, people want to change 9 management. 10 So it's very important for us that our 11 clients know when they sign up that you're not signing 12 like a lifelong deal with us, where, you know, under 13 your store being active we are in control of it. It's 14 just, you know, for the first 12 months that's a very 15 important scaling period for the stores. And, so, 16 that's the initial term, but after then, it basically 17 will just, you know, continue on, unless the store 18 owner wanted to switch management. 19 But it's important to us that people know 20 that that is an option for them if they wanted to, 21 because, you know, we believe that we'll improve 22 our -- our value within that period and -- and make 23 people money, where, you know, it's -- it's mutually 24 beneficial for everybody to continue working together 25 and -- and scaling the account.</p>	<p style="text-align: right;">56</p> <p>1 the questions. As far as apps and software, we really 2 want to make sure that -- that, you know, we explain 3 that type of stuff. We do have to be a little bit 4 careful, obviously, from a -- a proprietary 5 perspective, but, you know, the software and apps 6 we're using specifically around the pricing mechanisms 7 and, you know, gathering products, you know, we have a 8 back-end software that enables people to see kind of 9 the -- the account performance and stuff like that. 10 That was actually built by our teams and engineers. 11 And, yeah, but, you know, most of the -- the 12 apps and -- and software is specifically around price 13 matching, so that's going to be essentially like on an 14 hourly basis, you'll see on your account, on an hourly 15 basis, the prices are going to be refreshed. It's 16 actually probably happening, you know, more often than 17 that, but that's where you'll see it on your -- your 18 account activity is that, you know, prices are being 19 updated to remain competitive. 20 I'm sure that you know you probably heard 21 of the buy box on Amazon and stuff like that. That's 22 really important. You know, basically, a lot of 23 the -- the pricing algorithms, what they'll do is 24 they'll -- they'll capture the buy box by pushing a 25 product down to the lowest price, and then as soon as</p>

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<p style="text-align: right;">57</p> <p>1 you capture that buy box, the pricing algorithm is</p> <p>2 basically, you know, increasing the price so that you</p> <p>3 can maximize the margin while you have the buy box,</p> <p>4 and so most of your sales coming through will be from,</p> <p>5 you know, your -- your -- the price point that you</p> <p>6 want it at, and that's -- that's mostly what all the -</p> <p>7 - the pricing and, you know, the -- or, sorry, the</p> <p>8 apps and the software is doing, is the pricing, the</p> <p>9 product sourcing and selection, and placement, all</p> <p>10 that kind of stuff.</p> <p>11 Oh, that's funny. I actually just talked</p> <p>12 about the -- the buy box. A lot of that is -- is</p> <p>13 going to be account health, pricing, and your access</p> <p>14 to shipping. So it's going to be -- you know, there</p> <p>15 are some regional aspects, there's the software, how</p> <p>16 competitive is your software, and, you know, the --</p> <p>17 the overall account ratings.</p> <p>18 Again, Amazon and Walmart both, you know,</p> <p>19 they want their platforms to be as healthy as possible</p> <p>20 for their -- for their users, for the people buying</p> <p>21 products. And, so, you know, if you -- if you know</p> <p>22 how to make those platforms look good and look healthy</p> <p>23 and -- and create a good experience, then Amazon and</p> <p>24 Walmart will reward you essentially by placing your --</p> <p>25 your products in the -- in the buy box. Very</p>	<p style="text-align: right;">59</p> <p>1 drop-shipping, and so you're not really touching</p> <p>2 the -- the warehousing aspect of things. That will</p> <p>3 change in the future as -- as Walmart changes their</p> <p>4 policies. Also, as the WFS system comes into place,</p> <p>5 there will be obviously a warehousing aspect.</p> <p>6 So from an infrastructure standpoint, we</p> <p>7 have about eight warehouses in our network. These are</p> <p>8 3PLs around the country that, you know, you -- you</p> <p>9 essentially are -- are utilizing this space for -- for</p> <p>10 all the stuff -- the picking, the packing. Some of</p> <p>11 that comes into play as I mentioned with drop-</p> <p>12 shipping, especially on the Amazon side. But that is</p> <p>13 a -- a major variable.</p> <p>14 Additionally, I don't know, you know, if</p> <p>15 anybody's coming in with more of a foundation with</p> <p>16 capital and looking to get a larger portfolio. We</p> <p>17 will designate specific warehousing space to people at</p> <p>18 a certain threshold that's exclusively for you. So</p> <p>19 it's something that you could visit and -- and see</p> <p>20 kind of all the products flowing through and the</p> <p>21 people working in it and, you know, that's -- that's</p> <p>22 been a really cool option for people.</p> <p>23 Once the contract ends, are there any other</p> <p>24 charges that will be added to continue the service?</p> <p>25 Absolutely not. It will be the same contract. It</p>
<p style="text-align: right;">58</p> <p>1 important.</p> <p>2 Let's see. Average time to get back the</p> <p>3 initial investment, great question. We project,</p> <p>4 again, from the beginning of the video, we talked</p> <p>5 about, you know, underselling and over-delivering. We</p> <p>6 project 10 to 12 months for getting back your revenue.</p> <p>7 That's going to depend on your working capital</p> <p>8 available, as well as, you know, how long it takes to</p> <p>9 get your account set up and stuff like that.</p> <p>10 From Brian, you know, if anybody missed the</p> <p>11 -- the section talking about his revenue, Brian, it</p> <p>12 looks like he'll probably break even within probably</p> <p>13 five and a half months. Based off of the current</p> <p>14 trajectory, if he stayed where he was right now, which</p> <p>15 it's been scaling very quickly, you know, over \$50,000</p> <p>16 in revenue in the last 30 days, but, you know, if he</p> <p>17 stays where he is, you know, five months after he</p> <p>18 signed his contract, he would break even, but we do --</p> <p>19 we do say, you know, 10 -- expect 10 to 12 months for</p> <p>20 break-even. And, then, obviously, you know, it's up</p> <p>21 from there, and -- and by that point, the asset is</p> <p>22 also worth a little bit of value.</p> <p>23 Warehousing network, absolutely. So, you</p> <p>24 know, from our -- from our providers, there's two</p> <p>25 different things. You know, Walmart is primarily</p>	<p style="text-align: right;">60</p> <p>1 will basically just be an extension. There will be no</p> <p>2 -- no additional fees added on.</p> <p>3 Let's see. What value does the store have</p> <p>4 once sold? So the people that are buying the stores</p> <p>5 have their own system set up. So they have their own</p> <p>6 management teams; they have their own software,</p> <p>7 algorithms, everything. It's mostly these big groups</p> <p>8 that are coming in. Their other option is that, you</p> <p>9 know, people are buying accounts that have a little</p> <p>10 bit of history through them, providers such as us.</p> <p>11 And, so, you know, we're actually in</p> <p>12 conversation right now with a team that -- that</p> <p>13 sells accounts that basically helps you scale stores</p> <p>14 faster, and so, you know, there's -- there's been a</p> <p>15 lot of demand for -- for accounts that are aged or</p> <p>16 ungated on Amazon or Walmart -- or, I'm sorry, on</p> <p>17 Amazon -- or stores that have scaled past kind of the</p> <p>18 -- the scaling capacity on -- or scaling velocity</p> <p>19 checks on -- on Amazon.</p> <p>20 So, you know, these accounts are -- are</p> <p>21 worth money, and that's going to be somebody, again,</p> <p>22 that's taking that account and just putting it on</p> <p>23 their own management system because there's a lot of</p> <p>24 value in that -- in the -- in the aged account.</p> <p>25 So they're valuable for different ways, but,</p>

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<p style="text-align: right;">61</p> <p>1 you know, it -- it always is going to be that the --  2 the person acquiring is going to have their own system  3 set up for that, similar to what we're running. The  4 only alternative is if basically if we, for example,  5 were to start selling a program that enabled -- if  6 somebody wanted to sell their store, maybe, you know,  7 their goal was to basically sell it after a year and  8 just kind of make -- you know, flip some money based -  9 - based on that, we could sell, you know, accounts of  10 our clients and basically just broker that transaction  11 for them so that it was able to stay on the same  12 management system. That would be the only way that  13 that would happen.</p> <p>14 Let's see. So great question on our partner  15 companies. So what we're really, you know,  16 centralized in on -- on the Optimize side is -- is the  17 sales and marketing function and, you know, customer  18 service and -- and partnership with our clients that  19 we're bringing on. So we have different, you know,  20 fulfillment partners that take care of -- of specific  21 functions of business that we do sales, and Amazon and  22 Walmart obviously is a big one.</p> <p>23 And, so, how we take care of people is, you  24 know, we -- we get on the phone, we -- we have that  25 conversation and what people are looking for, and we</p>	<p style="text-align: right;">63</p> <p>1 value of -- of working with us is that we're basically  2 going out, knowing the e-commerce space, and vetting a  3 bunch of different partners that we know will take  4 care of people, bringing in, you know, our clients  5 from a sales perspective and from a marketing  6 perspective, being able to find people that are really  7 looking for -- for good solutions in e-commerce,  8 matching them with the programs that we feel like are  9 going to be awesome for them and then helping them  10 grow their portfolio in the future as they, you know,  11 start making money and are comfortable with different  12 things and we can help them diversify. That's, you  13 know, essentially our -- our business structure.</p> <p>14 Manager of stores, as I mentioned, there's  15 going to be account managers on -- on each account.  16 Passive Scaling is -- is a -- is an amazing partner of  17 our. Ascend is, you know, another partner of ours,  18 amazing, that's been managing Brian's store. And,  19 again, these are just basically -- these are the  20 fulfillment teams that we've vetted and -- and base --  21 signed, you know, agreements with for us to do the  22 marketing and to take care of clients and stuff like  23 that. And there are specific account managers  24 designated towards -- towards stores that -- that take  25 care of the performance on a day-to-day basis, and</p>
<p style="text-align: right;">62</p> <p>1 set them up with the best possible opportunity that we  2 feel like matches their -- their -- their kind of  3 positioning as far as what they're looking for, what  4 they're goals are. And, you know, we keep that  5 relationship.</p> <p>6 And, so, you know, from the time that --  7 that somebody starts working with their fulfillment  8 team, their account managers, we're there, we're in  9 communication, we're making sure that, you know,  10 everything is -- is going well. And, then, also, you  11 know, once -- once the people start making money, you  12 know, it's a big value-add is that we're constantly  13 looking to bring on more opportunities such as, you  14 know, the affiliate model that we've discussed.  15 There's -- you know, there's going to be other  16 opportunities in e-commerce.</p> <p>17 A big thing that's coming out that a lot of  18 e-commerce players are looking at is the -- the Target  19 Plus model. They're opening up something very similar  20 to Walmart. That will be something we're looking into  21 in the next 6 to 12 months. You know, you have a lot  22 of people in the Facebook automation space right now  23 that are using Facebook Marketplace as a -- as an  24 automation platform. There's Airbnb. There's -- you  25 know, there's a lot of different models, and so the</p>	<p style="text-align: right;">64</p> <p>1 we're there to help with client management and, you  2 know, future opportunities and -- and making sure  3 people are -- are always taken care of.</p> <p>4 Warehousing. Are clients buying the  5 inventory? So yes. So similar to drop-shipping,  6 where your working capital will go toward specific  7 products, on the inventory side of things, money will  8 go towards those wholesale orders. The benefit of  9 working with large groups such as us is, you know,  10 number one, our pricing and product sourcing tools are  11 -- are basically being distributed between all of our  12 accounts. And, so, you know, when we're going into  13 the space, obviously, we're doing sales of volume with  14 the amount of accounts that we have. We're -- you  15 know, we're not cannibalizing within our own system  16 on, you know, the -- the day-to-day SKUs, the stuff  17 that -- you know, the specific tiny, like, things that  18 are selling.</p> <p>19 On the other side of things, on the  20 wholesale side, there will be times where, you know,  21 the fact that we have a ton of accounts enables us to  22 place larger volume orders than an individual cell  23 wouldn't be able to get. And, so, say during the  24 holiday season, we know that there's going to be  25 something that sells very well, we'll break that up</p>

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<p>65</p> <p>1 regionally; we'll make a large inventory order; and 2 then basically our -- our partners collectively will 3 have access to selling those through as soon as 4 possible, where obviously we're not -- we're not 5 competing but we are, you know, making sure to 6 maximize the -- I guess the margin because we can do 7 volume orders. 8 And, so, you know, it is -- it is -- there 9 is a function, obviously, of purchasing inventory, but 10 that's going to be coming out of working capital. The 11 average turnover time on the inventory that's placed 12 that goes to the warehouses is anywhere between 45 and 13 90 days. And that's kind of a ruling thing, so that's 14 not that all of it, you know, in one day will be 15 pushed out on -- on day 45; it's that over that 16 period, you're -- you're exhausting your entire 17 inventory. 18 And, then, obviously, you know, you're 19 replacing that with -- with orders and stuff, and, you 20 know, it will be something that the team handles that 21 you can communicate about if you want. Some people 22 prefer to be very engaged in the process; some people 23 prefer to be completely hands-off. And, you know, 24 both of those are -- are supported. 25 Ascend and Passive Scaling, the differences.</p>	<p>67</p> <p>1 really appreciate it. Thanks, everybody, for being 2 involved. Thank you. I know Brian's already gone. 3 He had some stuff to do, but thanks, Brian. And you 4 guys have a great night. 5 (The recording was concluded.) 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>
<p>66</p> <p>1 So the primary difference is that Ascend only runs 2 Walmart. Passive Scaling is running multiple 3 opportunities. The entry points are -- are slightly 4 different, and because of that, on the lower entry 5 point, you know, naturally, the profit percentage 6 is going to be a little bit higher than the 7 fulfillment -- or the -- the -- the store managers 8 take. And that is going to be -- the Ascend side, 9 their -- their percentage is a little bit higher, but 10 they do have a lower entry point. But, yeah, that -- 11 that all -- that all balances out. 12 We're running up on 5:20 here. Take maybe a 13 couple more questions if anybody had any lingering 14 things, and then, yeah, hope that this has been 15 valuable for people, and, you know, we really 16 appreciate the questions. It's -- you know, every 17 opportunity for us to talk to people and be as, you 18 know, authentic and transparent as possible is 19 incredibly valuable to us. You know, we love this, 20 and we like to grow, and I think this has been an 21 amazing call. 22 I think that may be it. Well, thank you 23 everybody. I hope everybody's enjoyed this. We'll 24 have the recording about -- probably by tomorrow, and 25 we can send it out by email, but, you know, again,</p>	<p>68</p> <p>1 CERTIFICATE OF TRANSCRIPTIONIST 2 3 4 I, Sara J. Vance, do hereby certify that the 5 foregoing proceedings and/or conversations were 6 transcribed by me via CD, videotape, audiotape or 7 digital recording, and reduced to typewriting under my 8 supervision; that I had no role in the recording of 9 this material; and that it has been transcribed to the 10 best of my ability given the quality and clarity of 11 the recording media. 12 I further certify that I am neither counsel 13 for, related to, nor employed by any of the parties to 14 the action in which these proceedings were 15 transcribed; and further, that I am not a relative or 16 employee of any attorney or counsel employed by the 17 parties hereto, nor financially or otherwise 18 interested in the outcome of the action. 19 20 21 DATE: 2/26/2024 s/Sara J. Vance 22 SARA J. VANCE, CERT 23 24 25</p>

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